

DAILY REPORT

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VICE PRESIDENT BUSH ARRIVES IN BEIJING 7 MAY

OW070430 Beijing Domestic Service in Mandarin 0400 GMT 7 May 82

[Text] George Bush, vice president of the United States of America, his wife and entourage, who have been on an official visit to China, arrived in Beijing from Hangzhou by a special plane on the morning of 7 May in the company of Vice Minister of Foreign Affairs Han Xu.

Accompanying the vice president on the visit are Daniel Murphy, chief of staff of the office of the vice president; John Holdridge, assistant secretary for East Asian and Pacific affairs; Mrs Holdridge; Peter Teeley, press secretary for the vice president; Mrs Nancy Bearg Dyke, assistant for national security affairs for the vice president, and (Donald Gregg), senior staff member of the National Security Council.

Vice President and Mrs Bush and their entourage arrived in Hangzhou on the evening of 5 May. U.S. Ambassador and Mrs Hummel, who had gone to Hangzhou to greet the vice president, arrived in Beijing on the same plane.

Wan Li, Huang Hua Greeting

OW071324 Beijing XINHUA in English 1310 GMT 7 May 82

[Text] Beijing, May 7 (XINHUA) -- The Chinese Government held a ceremony east of the Great Hall of the People this afternoon to welcome George Bush, vice-president of the United States of America. At 3:00, Vice-President and Mrs. Barbara Bush arrived at the plaza, where both the Chinese and U.S. flags flew. Vice-Premier Wan Li of the State Council greeted them and two children presented them with bouquets of flowers. Amid the U.S. and Chinese anthems, Wan Li and Bush reviewed a guard of honor from the three services of the Chinese People's Liberation Army while 200 children waved garlands in greeting.

Attending the ceremony were Huang Hua, state councillor and minister of foreign affairs; his wife, He Liliang; Zhang Wenjin and Han Xu, vice-ministers of foreign affairs; Zhao Dongwan, vice-minister of the State Scientific and Technological Commission; and Jia Shi, vice-minister of foreign economic relations and trade. After the ceremony, Wan Li met with Vice-President Bush. Bush handed to Wan Li a letter from President Reagan to Chairman Hu Yaobang.

The guests arrived from Hangzhou this morning with Han Xu.

Huang, Bush Hold 'Frank' Talks

OW071208 Beijing XINHUA in English 1200 GMT 7 May 82

[Text] Beijing, May 7 (XINHUA) -- Huang Hua, state councillor and minister of foreign affairs, and George Bush, vice-president of the United States, held talks in the Great Hall of the People here this afternoon.

Sources said they had frank and candid discussions on the Taiwan issue, especially U.S. sales of arms to Taiwan. Talks will be held tomorrow between Chinese and American leaders on this and other issues.

Taking part in the talks on the U.S. side were Arthur W. Hummel, Jr., U.S. ambassador to China, Daniel J. Murphy, chief of staff to the vice-president, and Ambassador John H. Holdridge, assistant secretary of state for East Asian and Pacific affairs. Attending the talks on the Chinese side were Zhang Wenjin and Han Xu, vice-ministers of foreign affairs.

HANGZHOU, BOSTON ESTABLISH SISTER-CITY RELATIONS

OW011817 Beijing XINHUA in English 1639 GMT 1 May 82

[Text] Hangzhou, May 1 (XINHUA) -- An agreement to establish sister-city relations between Hangzhou of Zhejiang Province, and the U.S. city of Boston, Massachusetts, was signed this afternoon by Hangzhou Mayor Zhou Feng and Boston Mayor Kevin White. Zhou Feng and White said the signing signals the furtherance of friendship and cooperation between the two cities.

Chen Zuolin, vice-governor of Zhejiang Province, attended the ceremony and met the Boston friendship delegation led by White.

WEINBERGER SPEAKS TO U.S. SENATE ON NUCLEAR ARMS

OW301933 Beijing XINHUA in English 1848 GMT 30 Apr 82

[Text] Washington, April 29 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger said today that the United States is opposed to proposals which would freeze nuclear forces "at the current unequal level" with the Soviet Union. The Soviet Union, he noted, continues to lead the United States in most measures of strategic forces, but the United States still has the advantage in total numbers of deliverable warheads. However, "the Soviets may equal or surpass us in the total number of warheads during the 1980's as they continue the rapid expansion of their strategic nuclear arsenal," he warned.

Weinberger was the first witness at a series of hearings the Senate Foreign Relations Committee began this morning on public and congressional calls for a U.S.-Soviet nuclear freeze. Secretary of State Alexander Haig, Director of Arms Control and Disarmament Agency Eugene Rostow, former defense secretaries James Schlesinger and Harold Brown, Senators Edward Kennedy and Henry Jackson will also testify during the hearings, altogether six which will take three weeks to complete. Weinberger said: "Concern has been expressed that the Reagan administration has not moved fast enough on arms reduction negotiations, that we have been wasting time.... Actually we have gained time." The U.S. Government has done so by initiating its "long term program to improve the stability and security of our nuclear deterrent force, thus providing the only basis for negotiations that can lead to real reductions." "In the near future, the president will make far-reaching proposals for inter-continental arms and invite the Soviet Union to commence strategic arms reduction talks," he added.

The extensive hearings are taking place amidst a growing mass movement for a halt to the superpower nuclear armament race. Charles Percy, chairman of the Senate Foreign Relations Committee, said, "All across America a grassroots movement is organizing in support of prompt and dramatic action on arms control." Claiborne Pell, a senior Democrat of the committee, had this to say: "The people want the two superpowers to negotiate seriously and energetically to reduce the risk that nuclear arms will ever be used anywhere, for any purpose."

Yet there are some more factors that have prompted the current public debate on this issue. While unemployment totals 10 million and the budget deficit reaches 100 billion dollars, the administration, under the "rearming the United States" policy, put the next fiscal year's military budget at 215.9 billion dollars. [Word indistinct] percent more than for the current year. A total of 1,600 billion dollars will be spent in the next five years to strengthen the U.S. Armed Forces across the board. In addition, West European allies, being exposed to stronger public sentiments against escalating U.S.-Soviet nuclear arms race, have been reluctant to show their support for U.S. nuclear armament policy. Instead they insist that the U.S. should never discard disarmament as a policy.

Several resolutions on nuclear disarmament have already been proposed in the Senate. The Foreign Relations Committee will "examine carefully the political, strategic and technical practicality of each resolution," and report out a single resolution that can command overwhelming support in the Senate and be supported by the American people, Percy declared.

U.S. SENATE COMMITTEE REJECTS REAGAN'S BUDGET

OW061646 Beijing XINHUA in English 1520 GMT 6 May 82

[Text] Beijing, May 6 (XINHUA) -- The U.S. Senate Budget Committee Wednesday unanimously rejected President Ronald Reagan's 1983 budget, which contains an exorbitant deficit, according to reports from Washington.

The rejection came in the wake of failed secret negotiations between the White House and Congress on cutting the proposed budget deficit and of Reagan's televised address seeking support for his budget proposals.

Since the Republican-dominated Senate committee rejected Reagan's budget, this could be an indication that the President's economic policies will encounter further opposition.

Reagan's budget, submitted on Feb 8, contains a projected deficit of 91.5 billion U.S. dollars. But congressional sources predict the deficit could reach as high as 182 billion U.S. dollars without tax increases and spending cuts.

Economists worry that such a huge budget deficit would make it impossible for the high interest rates to drop and would prolong the present recession.

RENMIN RIBAO VIEWS SOVIET ECONOMIC SITUATION

HK061006 Beijing RENMIN RIBAO in Chinese 4 May 82 p 7

[Report: "Soviet Economic Situation in the First Quarter Was Still Not Good"]

[Text] The Soviet Central Statistics Bureau recently published a communique on the statistics for the first quarter of this year. While stressing that "the national economy grew" in this quarter, it admitted that there were "serious defects" in the fulfillment of the production plan.

According to the plan, industrial output value for this year should grow by 4.7 percent. However, in the first quarter of this year, it grew by only 2.1 percent as compared with that in the same period of last year. No matter whether it is compared with the whole of last year or with the same period of last year, this year's first quarter saw a record low in industrial growth in the Soviet Union during peacetime.

As stipulated by the plan, industrial labor productivity should grow by 4.1 percent this year. But it grew by only 1.5 percent in the first quarter of this year. Compared with previous years and the same periods, industrial productivity in the first quarter of this year also dropped to a record peacetime low. According to the 1981-85 5-year plan, the growth in industrial output value is to be realized chiefly by increasing labor productivity. For this reason, the Soviet authorities are "worried" about the noticeable decrease in labor productivity.

The manufacturing of industrial product also was not in a good situation. According to the Soviet official communique, the output of 27 of the 65 varieties of "the most important products" in the first quarter of this year decreased as compared with that in the same period of last year. These products included steel, iron ore, chemical fertilizer, cement, petroleum equipment, cars, timber, fabrics and dairy products.

Three consecutive years of bad harvests have adversely affected this year's agricultural production. Up to the present, the Soviet Government has not yet announced the figures of last year's grain output. It is estimated that actual grain output was 60-70 million tons short of the target, so that more than 40 million tons of grain must be imported this year. As far as the conditions in the first quarter of this year are concerned, the Soviet Union only announced that the outputs of meat and milk dropped by 1 percent and 4 percent respectively as compared with that in the same period last year. This invariably resulted in even shorter supplies. Recently, in Moscow, the purchase of such foodstuffs as meat, sausages, butter and cheese was limited to a certain amount; these foodstuffs were available only to those who held food coupons in many other cities and were just unavailable in the shops in some localities. Moreover, the supply of many kinds of industrial consumer goods also was very abnormal. For example, it was not easy to buy such goods as cotton cloth, aluminum pots, soap, washing powder, toothpaste and brushes, toilet paper and film because they often were out of stock.

PRINCE SIHANOUK ARRIVES IN BEIJING 6 MAY

Meets Huang Hua

OW061324 Beijing Domestic Service in Mandarin 1200 GMT 6 May 82

[Text] Huang Hua, state councillor and concurrently minister of foreign affairs, met and feted Prince Sihanouk and his wife in the Great Hall of the People tonight. They had a friendly and cordial talk.

Prince Sihanouk and his wife arrived in Beijing from Pyongyang on the afternoon of 6 May. Han Nianlong, adviser to the Foreign Ministry, and others greeted them at the airport.

Issues Statement

OW061858 Beijing XINHUA in English 1839 GMT 6 May 82

[Text] Beijing, May 6 (XINHUA) -- Samdech Norodom Sihanouk reiterated in a statement here today that he and the Kampuchean national liberation movement he leads would make no demands as regards the formation of a tripartite coalition government of Kampuchean patriotic forces, that he and his movement would accept what the other two parties propose and approve any agreement or compromise reached between them.

As regards the "tripartite coalition," the statement says, certain newspapers, news agencies and radios of the Western world continue to assert that "the three factions have not reached an understanding on the division of power." This is completely inaccurate, it says. "My front (or party) and myself, contrary to the F.N.L.P.K. [Kampuchean People's National Liberation Front] of Mr Son Sann, do not claim any power, any post, any portfolio, and do not pose any condition for our participation in an eventual 'tripartite coalition' government. It is thus most unjust to continue to assert that the 'three' factions are wrangling over power and preventing the formation of the 'coalition' within a short period of time," the statement says.

It says, "Our unchanged and invariable position in this regard is as follows: a) We do not make any demands for ourselves in the government to be formed; we shall accept what the other two factions will propose to us; b) we shall always and completely respect the three-point agreement concluded in February 1982 in Beijing by Mr Khieu Samphan, head of the delegation of the Democratic Kampuchean Government, and Norodom Sihanouk; c) we shall approve unreservedly any agreement or compromise between the other two factions to be realized for the formation of the 'tripartite coalition'."

The statement says, "If a new 'summit conference' of Cambodian leaders of the anti-Viet resistance is to take place in a country other than the People's Republic of China or the Democratic People's Republic of Korea, I shall not be able to take part in person but I shall be represented in this new conference by former Prime Minister In Tam. I emphasize once again that my presence in such a new conference is absolutely useless, for my front (or party) demands nothing and approves in advance what is to be reached as an agreement or compromise between Mr Khieu Samphan and Mr Son Sann."

Samdech Norodom Sihanouk arrived here from Pyongyang today. He said in his statement that he will return to Pyongyang after a few weeks, and will come to China again at the end of August.

ZHAO ZIYANG BIDS FAREWELL TO LIBERIA'S DOE

OW061610 Beijing XINHUA in English 1550 GMT 6 May 82

[Text] Beijing, May 6 (XINHUA) -- Samuel Kanyon Doe, head of state, commander in chief of the armed forces and chairman of the People's Redemption Council of the Republic of Liberia, left here by special plane this afternoon for a visit to Shanghai, in the company of Chinese Vice-Minister of Foreign Affairs Gong Dafei.

Chinese Premier Zhao Ziyang went to the state guesthouse to bid Chairman Doe farewell before his departure. Zhao asked Doe to convey the cordial regards and best wishes of the Chinese people to the Liberian people. "Your current visit to China is of great significance for strengthening friendship between our two countries and will help increase mutual understanding between the two peoples," he said. Zhao said he hoped to see further development of friendly relations between China and Liberia.

Doe expressed his thanks to the premier for the warm reception accorded him. He said he hoped that Premier Zhao could have an opportunity to visit Liberia so that the two sides would again exchange views on issues of common concern.

Premier Zhao said: "I would be very glad to visit your country, and welcome you to visit China again."

Upon their arrival in Shanghai, the Liberian guests were welcomed at the airport by Mayor of Shanghai Wang Daohan and others. In the evening, the Shanghai Municipal People's Government hosted a banquet in honor of the guests. Mayor Wang and Chairman Doe proposed toasts to the continuing development of the friendship between the two countries and two peoples.

HUANG PAYS CONDOLENCE CALL TO ALGERIAN ENVOY

OW061234 Beijing XINHUA in English 1209 GMT 6 May 82

[Text] Beijing, May 6 (XINHUA) -- Huang Hua, minister of foreign affairs, and Li Shuzheng, deputy head of the International Liaison Department of the Central Committee of the Communist Party of China, went to the residence of the Algerian Ambassador to China Ali Abdelaoui this morning to express condolences on the unfortunate death of Mohamed Ben Yahia, Algerian foreign minister.

In a tribute he wrote to the late Algerian foreign minister, Huang Hua said: "I wish to express deep condolences on the death of the great son of the Algerian people. He was a fighter, a statesman, a brilliant diplomat and a comrade-in-arms of the Chinese people. I also express sorrow on the deaths of the other Algerian friends. Eternal glory to the revolutionary spirit of Mohamed Yahia and the other Algerian friends."

Ali Abdelaoui, Algerian ambassador to China, received Huang Hua and Li Shuzheng.

Foreign Minister Yahia was killed in a plane crash on May 3.

JI PENGFEI MEETS GUINEAN HEALTH MINISTER

OW061236 Beijing XINHUA in English 1212 GMT 6 May 82

[Text] Beijing, May 6 (XINHUA) -- Chinese State Councillor Ji Pengfei met with a Guinean health delegation led by Mamadou Bah Kaba, minister of health of Guinea, here this afternoon. In a cordial conversation, Ji Pengfei and Bah Kaba pledged their efforts to further Sino-Guinean cooperation in medicine and public health.

Present on the occasion were Tan Yunhe, Chinese vice-minister of public health, and Thierno Habib Diallo, member of the Guinean health delegation and Guinean ambassador to China.

The delegation will leave here for home tomorrow. Yesterday, Minister Bah Kaba gave a farewell banquet.

COMMENTARY VIEWS UK, U.S. FALKLANDS STAND

OW070726 Beijing XINHUA in English 0703 GMT 7 May 82

["Commentary: Immediate Halt to Anglo-Argentine Conflict" -- XINHUA headline]

[Text] Beijing, May 7 (XINHUA correspondent Mei Zhenmin) -- The military action in the South Atlantic is dangerously escalating despite repeated professions of Britain that she is still seeking a peaceful settlement of the conflict with Argentina over the Malvinas Islands, the focus of world attention.

Britain has mounted repeated air and naval attacks on Port Argentino (Stanley) and other Argentine positions on the Malvinas Islands following British landing on South Georgia Island on April 25. The British Navy sank an Argentine cruiser with a crew of 1,000 officers and men in waters beyond the 200-mile exclusion zone around the Malvinas Islands. [Beijing XINHUA Domestic Service in Chinese at 1610 GMT on 6 May in its version of this commentary omits the preceding portion of this paragraph] Now the British naval task force is only tens of nautical miles off the Malvinas, poised for a forced landing on the islands.

The British Government declared that the action it has taken is aimed at putting "military pressure" on Argentina to force it to withdraw its troops from the islands. In other words, Britain is trying on the strength of her gigantic fleet to impose her will on a weaker country which has stood up in defence of its sovereignty. A Thai newspaper accused Britain of action "in revival of the gunboat policy she practised in the colonial era."

However, the colonial era of the 17th and 18th century is past and gone long ago, and the gunboat policy no longer works. The British naval assault has inflicted heavy losses on Argentina but her own losses are also quite heavy, with the sinking of one of her new-type destroyers and the downing of jetplanes.

What is noteworthy is that the British action has enraged public opinion in Third World countries and in the whole world. Many Latin American and other developing countries condemned Britain and voiced solidarity with Argentina. Ecuadoran Foreign Minister Luis Balensia called the British bombing of the Malvinas Islands a "new, colonial aggression." Some Latin American countries expressed their willingness to give Argentina material and military support. Even some West European countries which supported Britain were shocked and expressed regret for the British sinking of an Argentine cruiser. They called for restraint on the part of Britain. West Germany made an urgent call for an immediate ceasefire between Britain and Argentina and for every possible effort to seek a peaceful solution.

Irish Defence Minister Patrick Power said in Dublin, "We felt that Argentina was the first aggressor and originally backed Britain. But obviously the British themselves are very much the aggressors now and we are taking a neutral stance."

REUTER reported on May 4: "While governments were reluctant to criticise a key ally, there appeared to be growing unease over Britain's apparent intention to keep up military pressure in the South Atlantic." It also reported that "West European support for Britain showed signs of wavering today."

Originally the United States maintained some kind of a "neutral" stance when it mediated between Britain and Argentina. But shortly before Britain bombed the Malvinas the U.S. Government made a sudden about-face to side with Britain and imposed sanctions on Argentina. The U.S. move had encouraged Britain in her adventurous act, thus helping to kindle the conflagration of war in the South Atlantic. [The Beijing XINHUA Chinese version omits the preceding three paragraphs]

This United States' stand has hurt the national feeling of the Latin American people and deepened its contradiction with the Latin American states. [The Beijing XINHUA Chinese version omits the remaining portion of this paragraph] In a note of protest to the United States on May 2, Argentina pointed out that the Argentines can neither understand nor forget that in one of the most critical hours of their history, the United States "has preferred to side with a power outside this hemisphere and cooperate with its aggressive designs." Some leaders of Latin American countries pointed out that this act of the United States in contrary to the historical trend has shelved the U.S. claim in the Monroe Doctrine that "America belongs to the Americans," the Pan-American doctrine, and the Pan-American cooperative pact. Some even said that gone is the day of Latin America being the U.S. "backyard."

It is obvious that the British adventure and U.S. partiality have deepened the gap and contradictions between Latin America as one side and Britain, the United States and Western Europe as the other side. The raging flames of war in the South Atlantic are detrimental to North-South cooperation. But the Soviet Union is seeking advantage from the crisis over the Malvinas Islands. Third World countries and all other peace-loving countries are following with anxiety the developments in the South Atlantic. Now the United Nations is trying to start fresh mediation and Argentina has given a positive response. People are waiting anxiously to see whether Britain would stop her hostile action against Argentina in response to U.N. mediation? And, is there any hope of settling the dispute over the Malvinas Islands by peaceful means?

WANG BINGQIAN'S 1982 STATE BUDGET REPORT

OW050901 Beijing XINHUA Domestic Service in Chinese 0059 GMT 5 May 82

[Text] Beijing, 5 May (XINHUA) -- Report on the draft state budget for 1982 presented at the 23d Session of the Standing Committee of the Fifth NPC on 28 April 1982 by Finance Minister Wang Bingqian.

Members: The Fourth Session of the Fifth NPC discussed the implementation of the 1981 budgetary estimates and the revenues and expenditures projected in the 1982 state budget and authorized the Standing Committee of the NPC to examine and approve them after formally completing the 1981 final state accounts and the 1982 state budget. The 1981 final state accounts are presently being compiled stage by stage. According to the available preliminary figures, total revenues amount to 106.43 billion yuan and total expenditures to 108.97 billion yuan. Expenditures exceed revenues by 2.54 billion yuan. Both revenues and expenditures are slightly higher than estimated, but the deficit is slightly below estimate. Generally speaking, the situation has been good. When the year's final state accounts are formally compiled, they will be presented for examination and approval. Now, entrusted by the State Council, I will make a report on the draft state budget for 1982 for examination by the session.

I. Draft State Budget for 1982

Financial and economic conditions throughout the country in 1982 will continue to turn for the better. Since the beginning of this year, new gains have been made in production, construction and other economic undertakings by the various localities and departments as a result of their continued efforts to implement the policy of achieving further economic readjustment and greater political stability. Activities for building a socialist spiritual civilization have gradually been unfolded in society. At the same time, efforts to deal blows against serious criminal activities in the economic field are being made. Government restructuring has begun to be carried out in a systematic way. All this indicates that 1982 will be another year in which the political and economic situation throughout the country will make good progress. To meet the need of development in the current situation, necessary adjustments have been made in the state's 1982 budgetary revenues and expenditures on the basis of the original targets. The basic principles for budget arrangements are: to persistently rely on planned economy as the main factor and market regulation as a supplementary one and to make efforts to increase state revenue by improving production and enhancing economic results; to continue to restrict the scope of capital construction and various budgetary expenditures, properly increase allocations for energy production and communications and expenditures for culture, education and national defense; to keep steadily to the current policy regarding the distribution of income so that the living standards of the urban and rural population will continue to improve on the basis of increased production; and to continue to maintain a basic balance between revenues and expenditures and a fundamental credit balance and to ensure the stability of market prices in general so that the national economy will develop in a stable manner.

In accordance with the aforementioned objectives, the draft state budget for 1982 now being compiled provides for total revenues of 110.45 billion yuan and total expenditures of 113.45 billion yuan, with expenditures exceeding revenues by 3 billion yuan. Compared with the previously projected state budgetary revenues and expenditures for 1982 examined and approved by the Fourth Session of the Fifth NPC, there is an increase of 500 million yuan in both revenues and expenditures with expenditures still exceeding revenues by 3 billion yuan. Efforts should be made to slightly trim this deficit by increasing production and practicing economy in the process of implementing the budget.

Total revenues for 1982 are 4.02 billion yuan more than in 1981. The breakdown of total budgetary revenues is as follows: receipts from enterprises amount to 34.41 billion yuan; taxes, 64.6 billion yuan; receipts from other sources, 240 million yuan; depreciation funds turned in by enterprises to central financial departments, 2.2 billion yuan; receipts from the issuance of treasury bonds, 4 billion yuan; and receipts in the form of foreign loans, 5 billion yuan.

The 1982 total state budgetary revenues are worked out mainly on the basis of total industrial and agricultural output value as outlined in the economic and social development plan and on the growth in retail trade of social commodities. Consideration has been given to increasing revenues by cutting enterprises' expenses through reducing operational losses, improving finance work, strengthening tax collection, monopolizing tobacco sales and raising tobacco and wine prices. At the same time, attention has also been paid to losses in revenue due to the reduction of prices of commodities such as polyester and cotton fabrics, TV sets, radios, wristwatches and stretch nylon, further price subsidies for major agricultural and sideline products and for basic necessities needed by the people, continued job arrangements for jobless youths in cities and increased expenses for maintaining simple reproduction [jian dan zai sheng chan 4675 0830 0375 3932 3934] of metallurgical, chemical industrial and forestry enterprises. In general, the revenue budget is a positive and reliable one.

Total state expenditures for 1982 are 4.48 billion yuan more than in 1981. The breakdown of total budgetary expenditures is essentially as follows:

1. Appropriations for capital construction total 29.73 billion yuan. Direct state investments in capital construction total 18.63 billion yuan, an increase of 1 billion yuan over 1981. The state investments are used mainly for basic construction related to energy and transportation. Investments from local financial reserves and from local reserves for capital construction total 6.1 billion yuan. They show some decrease compared with the previous year.
2. Funds allocated for tapping the potentials of enterprises through technical transformation, plus those for subsidizing the development of new products, come to 5.42 billion yuan, about the same as last year. In addition, depreciation funds and profits to be retained by state enterprises amount to over 20 billion yuan. Because the sums involved are so large, unified arrangements for rational utilization so as to raise economic returns are important.
3. Additional allocations of circulating funds for enterprises total 2.4 billion yuan. These are intended mainly to meet the needs of newly commissioned enterprises and certain special reserves. At present, funds for production and circulation are enormous and overstocking of materials is serious. The state is now taking steps to help enterprises to reduce circulating funds to a rational level.
4. Expenditures for aiding rural people's communes and other operating expenses for agriculture amount to 7.61 billion yuan, showing some increase over last year. In developing agriculture, we rely mainly on correct policies, science and the collective economy, as well as on necessary assistance from the state. Since the current state funds for aiding agriculture are by no means small, they must be rationally managed and used so as to improve economic returns.
5. Allocations for culture, education, health and science total 18 billion yuan, an increase of 780 million yuan over 1981 following growth for several consecutive years. In addition, localities and enterprises also have allocations for these sectors. Despite financial difficulties in recent years, the state has made great efforts to speed the development of culture, education, health and science. The average annual growth rate of state financial revenues was 5.3 percent in the 5 years from 1977 through 1981 while allocations for culture, education, health and science averaged 15 percent. Of course, there are still problems with regard to needs in the above sectors that yet have to be resolved. However, they can be resolved only step by step within the capability of the state's financial and material resources.

6. Expenditures for national defense and preparations against war total 17.87 billion yuan, an increase of 1.07 billion yuan over 1981. In order to speed the modernization and regularization of the armed forces, an increase of expenditures in this respect is necessary.

7. Expenditures for administration and management amount to 7.8 billion yuan, an increase of 560 million yuan over last year. The main reasons for the increase are that as a result of further strengthening public security, procuratorial and judicial work and transferring some army cadres to office work, the funds for wages and administrative and operating expenses need to be increased accordingly in these areas.

8. The general reserve funds account for 2.7 billion yuan, 1 billion yuan of which are for the central authorities and 1.7 billion yuan for local authorities.

9. Payments on the principal and interest of foreign loans amount to 3.55 billion yuan. It is estimated that up to the end of 1982, the total amount borrowed by the state will be more than \$5 billion after deducting the matured principal that will be paid off.

The above draft state budget continues to maintain a basic balance between revenues and expenditures. This will help control market prices, remove step by step the potential dangers in the national economy and maintain economic stability. At the same time, proper arrangements are made in the budget for future development of the national economy, thus preparing for construction in the next stage. The budget also takes into account improvement in the people's living standards on the basis of the growth of production. Proper arrangements are also made for the employment of job-seeking young people in cities and towns and for the adjustment of wages for those working in government offices and scientific, cultural, educational and public health departments where there is no bonus system.

It should be realized that the state budget for 1982 is rather tight. A basic balance between revenues and expenditures was achieved last year mainly by greatly cutting down expenses. However, since some necessary spending has to increase this year, there will be a discrepancy between revenues and expenditures. To achieve a balance between revenues and expenditures this year, it is particularly necessary to increase revenues and strictly control expenditures. As things stand now, the task of bringing in all revenues must be fulfilled through arduous effort by all areas and departments. In the course of implementing the budget, we may encounter some spending problems that are hard to predict. To achieve a basic balance between revenues and expenditures this year, we must make vigorous efforts to increase production, practice economy and increase revenues, and strive to reduce deficits by conscientiously cutting down expenses in the course of implementing the budget.

II. Strive To Implement the State Budget for 1982

More than 3 months have passed this year. As far as revenues and expenditures in the first quarter are concerned, the overall situation is good. Total revenues in the first quarter amounted to 23.8 billion yuan, fulfilling 21.7 percent of the annual budget; and expenditures were 20 billion yuan, making up 17.8 percent of the annual budget. Revenues exceeded expenditures by 3.8 billion yuan (revenues in the first quarter of last year exceeded expenditures by nearly 4 billion yuan). It can be seen from this that both revenues and expenditures have progressed rather normally. However, what merits our attention is that a slack mood has occurred in some units and that more requests have been made for additional expenditures by various quarters because a basic balance between revenues and expenditures was achieved last year and the situation in revenues and expenditures was better in the first quarter of this year. The State Council recently issued a circular to all areas and departments, calling on them to pay attention to controlling expenditures and to resolutely prevent a bigger discrepancy between revenues and expenditures so as not to affect the task of balancing the state budget.

To ensure a basic balance between revenues and expenditures this year, we must have a clear understanding of the current excellent situation and favorable conditions, resolutely surmount the various difficulties and successfully carry out the following several tasks in a down-to-earth way:

First, we should mobilize the masses to further carry out activities to increase production and practice economy, with a view to achieving better economic results. Increasing production and practicing strict economy are the basic means for us to increase socialist wealth as well as an effective way to solve financial difficulties and the problem of inadequate funds at present. Considering the trends in the development of production this year, the targets set in the state plan can be fully attained. We should strive for a slightly higher growth rate in production and for somewhat better economic results. Particular attention should be paid to combining the growth rate with economic results. Efforts must be made to achieve a practical, "unexaggerated" growth rate, to prevent poor economic results and "inflated figures" and to prevent anyone from seeking an undeserved reputation while actually doing us harm.

Stressing economic results means maximizing production that caters to the needs of society while consuming as little labor and materials as possible. Enterprises should strive to turn out good-quality, marketable products while reducing the consumption of raw materials. If consumption of raw materials is high and products are shoddy and unmarketable, then the more such products manufactured, the greater the waste. We discarded large quantities of such products as useless when we made an inventory of enterprise assets and established how much capital enterprises had. The lesson drawn from this is profound indeed. From now on, we must avoid doing such things not worth the outlay. This year we must tap our potential in achieving better economic results, achieve a higher growth rate and ensure an increase in both production and revenue so that the increase in financial revenues will be in proportion to that in industrial and agricultural output. This is the first prerequisite for fulfilling or overfulfilling the state budget for 1982.

Second, 'it is necessary to straighten out enterprises' financial affairs, to step up the work of tax collection and to vigorously bring in all financial revenues. To tap the potentials of existing enterprises, achieve better economic results and increase financial revenues, the State Council has decided to carry out a planned, all-round consolidation of existing enterprises by groups in 3 years. A general inspection has recently been made of the financial affairs of enterprises in various localities. Through the inspection, it was discovered that problems are rather widespread in enterprises, such as confusing financial affairs, inaccurate accounts, wantonly fixing production costs, willfully using funds for purposes other than those originally planned and withholding or misappropriating state revenues. This not only affects enterprises' normal production and operation but also makes it hardly possible to accurately reflect, count and analyze their economic results. In consolidating enterprises, it is therefore necessary to give top priority to straightening out their financial affairs. Leaders of departments in charge of enterprises at various levels and those in basic-level enterprises should all attach importance to and support financial and accounting work and should not regard it as something nonessential or as a hindrance. Through the consolidation, it is necessary to strengthen the basic work in finance and accounting and to practice business accounting in an all-round way in order to bring about a radical change for the better in enterprises' confusing financial affairs.

At the same time, it is also necessary, through straightening out enterprises' financial affairs, to close loopholes in revenue and expenditure so that state revenues illegally misappropriated by some enterprises can be recovered. It is estimated that additional revenue of about 2 billion yuan can be recovered this year when this work is done well. This will greatly help balance the state revenues and expenditures.

To effectively strengthen the work of tax collection and give full play to the role of taxation as leverage in the national economy, the State Council has also decided to further strengthen tax organizations by assigning competent leading cadres to such organizations and staffing them with additional tax cadres this year. Since tax collection is a task of a strong policy character, the tax policies must be unified throughout the country. All areas and departments throughout the country must strictly implement unified state laws and decrees on tax collection and must not overstep their authority to reduce or remit taxes. All taxpayer units and individuals must conscientiously fulfill their obligation to pay taxes. The money an enterprise receives from selling goods must first be used to pay its taxes. When an enterprise fails to pay its delinquent taxes after being repeatedly urged to do so, banks will be notified according to regulations to withhold its deposits for this purpose. In addition, those concerned will be investigated for their responsibility in this regard. All tax organizations must enforce the tax laws impartially and make resolute efforts to change the situation in which management is lax and supervision ineffective.

Third, in accordance with the principle of seeking truth from facts and acting according to our capability, it is necessary to effectively keep expenditures within the financial capability of the state. During the readjustment of the national economy, the growth rate in production and financial revenues cannot be very high while many things need to be done. Hence, there is a sharp contradiction between the needs for funds and the possibilities of getting them. This calls for us to uphold the principle of doing things with the money we have and doing more things with less money and to keep things under control according to the state plan and budget. In view of the situation in which it is rather difficult to balance the budget this year, there should be no more new requests for additional expenditures from now on, except in special circumstances. Investment in capital construction should be kept within the target set in the state plan and should not exceed the target in order not to overextend the capital construction front and to avoid a short supply of materials and a war of attrition. Proper arrangements have been made for other expenditures according to the requirements for the development of undertakings and the possibilities of financial resources. In implementing the budget, it is necessary to carefully calculate and strictly budget, to economize on expenditures and not to exceed the targets set in the budget. Continuous efforts should be made to control various nonproductive expenses and the purchasing power of various social groups in order to reduce the pressure on the supply of commodities in the market.

In economic construction, we must pay attention to giving play to the role of banks. We must, through bank credits and loans and in a planned way, use a portion of deposits of local governments, enterprises and individuals to support the state's economic construction while basically maintaining a credit-loan balance. However, we must take note that the banks' sources of funds for loans are also limited and, while using a portion of their deposits for construction, they must seek an overall balance between financial and material resources. Therefore, bank loans should be granted according to plans and must not be over-granted at will. In addition, attention must be focused on economic results. Loans should not be granted for any projects without economic results. Enterprises' loan repayments should be made according to regulations, using newly accrued profits and not from the originally available profits.

Fourth, continue to adhere to the present policy of financial distribution and maintain its stability and continuity. Since the 3d plenary session of the party's 11th Central Committee, the state has made appropriate adjustments in the financial distribution policy in order to correct the past condition under which accumulation and consumption were seriously imbalanced and the financial power was over concentrated while financial control was too rigid. According to preliminary statistics of the Ministry of Finance, from 1979 to 1981, the state spent a total of over 140 billion yuan on raising the prices for purchasing agricultural and sideline products, cutting the rural areas' taxes, arranging for young people's employment, increasing the workers' wages, implementing the bonus incentive system, giving allowance for higher prices of some agricultural means of production and some daily necessity goods, housing construction for workers in cities and urban construction.

For implementing measures such as funds for enterprises, retainment of a certain percentage of profits, and enterprises' allowed to be responsible for their own profits or losses, the state allowed enterprises to retain a total of over 28 billion yuan for their own use in those 3 years. The living conditions of people in urban and rural areas has somewhat improved now and the enterprises' financial power has expanded. Under these circumstances, we should strive to stabilize the financial distribution ratio within the scope permitted by the state's financial strength. We should be realistic and should act according to our ability and not do anything beyond our power. It is necessary to gradually make necessary adjustment and rectification of what is unreasonable under the prerequisite of stabilizing the policy. This year, the purchase prices for farm and sideline products will not be raised, the quotas of state monopoly purchases and assigned purchases must be fulfilled and must not be lowered at will, and the scope and range of price increases and price negotiation for purchases above the quotas should be strictly in accordance with the state regulations. As for the price allowances for various products currently in effect, excessive allowances for certain products should be properly adjusted. Since some enterprises did not follow the state regulations in issuing bonuses and allowances, there have been incidences of abuses or giving bonuses in disguise. These are being rectified. As to the measures of letting enterprises retain a certain percentage of profits and be responsible for their own profits or losses, these should be carried out strictly according to state regulations. All the cases of retaining more profits than stipulated in regulations must be corrected. In short, whatever is reasonable and permitted under present policies should be firmly protected; whatever is unreasonable and overstepping the regulations should be effectively corrected; and obtaining income by illegal means will be dealt with in a stern manner.

Fifth, it is necessary to enforce state laws and discipline in order to wage resolute struggles against criminal activities in the economic sector. The current struggle is an important expression of the class struggle in the economic sector under the new historical conditions. Only by properly carrying on the struggle can we correctly implement the open-door policy externally and the policy of enlivening the economy internally and ensure that China's modernization program will proceed along the socialist path. Cases of economic crimes that have been cracked in various localities show that they are often linked with violations in financial and economic discipline. The various finance and tax departments must therefore detect and provide clues for investigation of economic crimes through financial supervision under leadership of the local people's governments and with close cooperation among the public security, procuratorial and judicial departments; the struggle must be properly conducted. Of course, there are distinctions between economic criminal activities and violations of economic and financial discipline. The two must not be confused.

In handling economic criminal cases, the "decision on severely punishing criminals who do great damage to the economy" adopted at the 22d Session of the 5th NPC Standing Committee and the "decision on severely striking at criminal activities in the economic sector" recently issued by the CCP Central Committee and the State Council as well as relevant state laws must be adhered to. Such cases must be referred to the judicial departments and be handled according to law and in the light of circumstances of individual cases. Cases that violate financial and economic discipline must be seriously handled according to relevant laws and decrees of the nation. All income acquired by certain units by illegal means must, in principle, be recovered. No units are allowed to reap economic benefits by illegal means. In serious cases, responsibility must be affixed on the responsible persons of concerned units and concerned personnel and be imposed by disciplinary sanctions. To this end, the financial departments must investigate the loopholes and shortcomings of the current financial system and financial management work. They must strengthen financial legislation and perfect economic laws and regulations.

Dear members, China's present political and economic situation is excellent. Although China faces many difficulties, they are difficulties in advancing and can be overcome by our efforts. Last year, the big financial deficit was greatly reduced, and it is quite possible to achieve a basic balance between revenue and expenditure this year. We must invigorate our spirit, seek truth from facts, unite as one, work with one heart and one mind and strive to fulfill and overfulfill the 1982 state budget.

BIOGRAPHIES OF VICE PREMIERS, STATE COUNCILLORS

HK060543 Beijing RENMIN RIBAO in Chinese 5 May 82 p 4

[Report: "Brief Biographies of Vice Premiers and State Councillors of the State Council" -- names of officials published in boldface]

[Text] WAN LI: male; aged 66; Han nationality and a native of Dongping County, Shandong Province; has held the positions of deputy director of the financial commission, director of the economic department and director of the construction bureau of the Nanjing Military Control Commission; deputy director and director of the industrial department, deputy director of the building and engineering department and director of the municipal construction department of the Southwest Military Commission; secretary of the Beijing Municipal CCP Committee; deputy mayor of Beijing Municipality; minister of the Ministry of Railways, and first provincial party secretary of Anhui. He is presently secretary of the Secretariat of the CCP Central Committee.

YAO YILIN: male; aged 65; Han nationality and a native of Guichi County, Anhui Province; has held the positions of vice minister of the Ministry of Trade, deputy director of the finance and trade office of the State Council, minister of the Ministry of Commerce, director of the political section of the finance and trade department of the CCP Central Committee, deputy secretary general of the CCP Central Committee, director of the General Office of the CCP Central Committee and secretary general of the financial and economic commission of the State Council. He is presently secretary of the Secretariat of the CCP Central Committee.

YU QIULI: male; aged 68; Han nationality and a native of Jian County, Jiangxi Province; has held the positions of deputy political commissar of the Southwest Military and Political University, principal and political commissar of the second senior infantry school, director of the logistics department and political commissar of the Southwest Military Region, director of the finance department of the CCP Central Committee Military Commission, political commissar of the PLA General Logistics Department, minister of the Ministry of Petroleum Industry, director of the State Planning Commission, director of the State Energy Commission and vice premier of the State Council. He is presently a member of the Politburo of the CCP Central Committee and secretary of the Secretariat of the CCP Central Committee.

GENG BIAO: male; aged 73; Han nationality and a native of Liling County, Hunan Province; has held the positions of ambassador to Sweden, Denmark, Finland, Pakistan, Burma, Algeria and so forth, vice foreign minister, director of the International Liaison Department of the CCP Central Committee, vice premier of the State Council and secretary general of the Military Commission of the CCP Central Committee. He is presently a member of the Politburo of the CCP Central Committee and executive member of the Military Commission of the CCP Central Committee.

FANG YI: male; aged 66; Han nationality and a native of Xiamen Municipality, Fujian Province; has held the positions of vice chairman of the Fujian Provincial People's Government, Fujian provincial party deputy secretary, deputy mayor of Shanghai Municipality, vice minister of the Ministry of Finance, deputy director of the State Planning Commission, minister of the Ministry of Economic Relations With Foreign Countries, vice premier of the State Council and president of the Chinese Academy of Sciences. He is presently a member of the Politburo of the CCP Central Committee and secretary of the Secretariat of the CCP Central Committee.

GU MU: Male; aged 68; Han nationality and a native of Rongcheng County, Shandong Province; has held the positions of secretary of the Jinan municipal party, mayor of Jinan, political commissar of Jinan Garrison Command, deputy secretary of the Shanghai municipal party, director of the State Capital Construction Commission, director of the State Import and Export Administrative Commission and vice premier of the State Council. He is presently secretary of the Secretariat of the CCP Central Committee.

KANG SHIEN: Male; aged 67; Han nationality and a native of Huaian County, Hebei Province; has held the positions of chief representative of the military commission and secretary of the party committee of the Yumen oilfield, director of the northwest petroleum administrative bureau, director of the Beijing municipal petroleum administrative bureau, assistant to the ministers and vice minister of the Ministry of Petroleum Industry, first vice minister of the Ministry of Petroleum and Chemical Industries, minister of the Ministry of Petroleum and Chemical Industries, director of the State Economic Commission, deputy director of the State Planning Commission, minister of the Ministry of Petroleum and vice premier of the State Council.

CHEN MUHUA: Female; aged 61; Han nationality and a native of Qingtian County, Zhejiang Province; has held the positions of deputy director of the communications bureau of the State Planning Commission; deputy director of the bureau of complete sets of equipment [cheng tao ju 2052 1152 1444] of the commission for economic relations with foreign countries, deputy director of the third bureau of the commission for economic relations with foreign countries, vice minister and minister of the Ministry of Economic Relations with Foreign Countries, director of the State Planned Parenthood Commission and vice premier of the State Council. She is presently an alternate member of the Politburo of the CCP Central Committee.

BO YIBO: male; aged 74; Han nationality and a native of Dingxiang County, Shanxi Province; has held the positions of first secretary of the North China Bureau of the CCP Central Committee, political commissar of the north China military region, deputy director of the financial and economic commission of the administrative council, minister of the Ministry of Finance, vice premier of the State Council, director of the engineering industry under the State Council and alternate member of the Politburo of the CCP Central Committee.

JI PENGFEI: male; aged 73; Han nationality and a native of Linjing County (the present Linyi County), Shanxi Province; has held the positions of ambassador to the German Democratic Republic, vice minister and minister of the Ministry of Foreign Affairs, vice chairman and general secretary of the NPC Standing Committee, director of the International Liaison Department of the CCP Central Committee, and concurrently vice premier and secretary general of the State Council.

HUANG HUA: male; aged 69; Han nationality and a native of Chixian County, Hebei Province; has held the positions of director of the foreign affairs department of the military control commissions in Tianjin, Nanjing and Shanghai, political negotiator of the delegation of the Chinese People's Volunteers, ambassador to Ghana, United Arab Republic and Canada, permanent representative to the United Nations and vice premier of the State Council.

ZHANG JINGFU: male; aged 68; Han nationality and native of Feidong County, Anhui Province; has held the positions of secretary of the Hangzhou municipal party, deputy mayor of Hangzhou, deputy director of the east China financial commission, deputy director of the local industry department, vice president of the Chinese Academy of Sciences, deputy director of the State Scientific and Technological Commission, minister of the Ministry of Finance, first secretary of the Anhui Provincial CCP Committee, and governor of Anhui Province.

POWER OF NPC STANDING COMMITTEE EXAMINED

HK070257 Beijing ZHONGGUO XINWEN SHE in Chinese 0715 GMT 6 May 82

[Article by Wang Shuwen [3769 0647 2429], deputy director of the jurisprudence research center of the Chinese Academy of Social Sciences: "Expanding the Powers of the NPC Standing Committee Is a Major Measure for Perfecting the Socialist Political System"]

[Text] Beijing, 6 May (ZHONGGUO XINWEN SHE) -- One of the special features in revising the constitution this time is the expansion of the power of the NPC Standing Committee. It is stipulated in the constitution that the organ endowed with the highest state power and the NPC Standing Committee is its standing body. As China is a country with a huge population and vast territory, there should be a larger rather than a smaller number of deputies to the NPC in order to enable it to represent the people more satisfactorily. However, owing to the relatively large number of deputies, the annual NPC sessions cannot last too long, and the NPC sessions can only focus on solving some issues of basic importance in the life of the state. This gives rise to the necessity for the NPC Standing Committee to handle a number of matters that have to be promptly dealt with when the NPC is not in session. From the above, we can see that it is imperative to strengthen the work of the NPC Standing Committee. The draft of the revised constitution expands the power of the NPC Standing Committee. Compared with the 1954 constitution and the 1978 constitution, the NPC Standing Committee's power is expanded mainly in the following aspects:

1. Greater legislative power. The 1954 constitution stipulated that the NPC is the sole legislative body of the state. Although there is no clause to such an effect in the 1978 constitution, all the power to make laws is vested solely in the NPC in the 1978 constitution. The draft of the revised constitution makes some changes in this respect and stipulates that both the NPC and the NPC Standing Committee exercise the legislative power of the state and both are empowered to make laws and decrees. The NPC is empowered to make and revise the criminal law, civil law, the basic law concerning the structure of the state and other basic laws, and the NPC Standing Committee is empowered to make and revise any other laws. Moreover, the draft of the revised constitution also provides that when the NPC is not in session the NPC Standing Committee is empowered to make some partial revisions or additional amendments to the basic laws that have been made by the NPC. These provisions will play an important role in strengthening and perfecting socialist legislation in China.
2. The power to supervise the enforcement of the constitution. Supervising the enforcement of the constitution is of great significance in safeguarding the sanctity of the constitution, ensuring its enforcement and bringing into full play its role as the fundamental great law. Both the 1954 and the 1978 constitutions provided that this power be exercised by the NPC. However, it has been proven by practice that the NPC is in session for too short a time to supervise the enforcement of the constitution, because supervision is a constant task. Therefore, the draft of the revised constitution provides that this power should be transferred to the NPC Standing Committee. This revision will facilitate the intensification of supervision over the enforcement of the constitution and the strengthening of the socialist legal system.
3. When the NPC is not in session, the NPC Standing Committee is empowered to examine and approve partial readjustments to the plans for national economic and social development and to the state budget, when found necessary in the course of their implementation. This will facilitate a prompt solution to problems that crop up during the implementation of these plans and budgets and ensure that the socialist national economy is being developed in a harmonized and proportionate manner.
4. Expanding the NPC Standing Committee's power in supervising the state organs. For example, when the NPC is not in session, the NPC Standing Committee is empowered to decide on appointments and dismissals of ministers, chief auditor and secretary general of the State Council in accordance with the nomination of the premier.

Moreover, the draft of the revised constitution also provides that when the NPC is in session, any member of the NPC Standing Committee has the right to address inquiries to the State Council, the Supreme People's Court, the Supreme People's Procuratorate and any ministry or commission of the State Council in accordance with the procedures provided by law. The state organs to which the inquiries are addressed are obliged to answer them. These provisions will play an important role in strengthening supervision over the administrative, judicial and procuratorial organs of the state by the state legislature.

In the draft of the revised constitution, there are also some new provisions for strengthening the organization of the NPC Standing Committee. The draft provides that members of the NPC Standing Committee must not be appointed to any posts in the state administrative, judicial or procuratorial organs, so they will be able to concentrate all their energy and spend all their time in performing their duties as members. It also provides that the chairman, vice chairmen and secretary general of the NPC Standing Committee form a board of chairmen to handle the routine work of the committee. Moreover, it provides that every province, region and the municipalities directly under the central government should send a chairman or vice chairman of their people's congress standing committees to attend the meetings of the NPC Standing Committee. This will facilitate the intensification of contacts between the NPC Standing Committee and all the localities, and make the decisions of the NPC Standing Committee more suited to the actual conditions and demands of the whole nation.

The provisions in the draft of the revised constitution about expanding the power and strengthening the organization of the NPC Standing Committee represent a major measure for perfecting the socialist political system. These provisions are of great significance in giving full play to the supreme organ of state power, strengthening socialist democracy and the socialist legal system, and ensuring and promoting the development of the cause of socialist modernization.

BEIJING RADIO VIEWS ORGANIZATIONAL REFORMS

OW070529 Beijing Domestic Service in Mandarin 1200 GMT 5 May 82

[Station commentary: "They Are Reforms That Accord With the People's Common Aspirations"]

[Text] With the adoption of three proposals, including the restructuring of the State Council's ministries and commissions by the just concluded 23d Session of the 5th NPC Standing Committee, the restructuring of various ministries and commissions has been basically completed. This is an important event in the political life of the people of all nationalities in our country. It is an event that merits a celebration. During the course of restructuring the ministries and commissions, people are happy to see that, for the good of the party's cause, many veteran comrades have warmly supported the less experienced but younger and capable cadres to assume the important leading posts. This fully demonstrates the veteran cadres' communist broadmindedness, their high sense of responsibility toward the country and their communist vision of taking the people's interests into consideration. Now a large number of morally and professionally competent cadres who are in the prime of their lives have assumed the leading posts of various state organizations. Because they are vigorous and have a high political consciousness and are professionally trained, the people believe they will, under the leadership of the party Central Committee, do a very good job in shouldering their historical tasks.

During the Fourth Plenary Session of the Fifth National People's Congress held last year, Premier Zhao Ziyang was warmly acclaimed by the NPC deputies and the CPPCC members when he mentioned in his government work report that decisive measures would be taken to carry out organizational reform and combat bureaucracy. The acclamation reflected the people's common aspirations. It shows that this revolution -- that is, the current organizational reform -- must be launched because that is what the people want, and that it certainly will have the wholehearted support of the people of all nationalities throughout the country.

Comrade Hu Yaobang once stated that the policies upheld by the CCP accorded with the people's aspirations and that was the basic guarantee that our cause would triumph. Ours is a socialist state that practices democratic dictatorship of the people. To achieve a high degree of socialist democracy, the most basic requirement is to enable all the people to fully enjoy the highest authority of administering state affairs on the basis that various forms of ownership of, and the right of allocating and using, the means of production are enjoyed by the people. If the state organizations, which exercise these rights for the people, are excessively enormous and complex, certain cadres are apt to lose contact with the masses and reality and will inevitably become subjective and bureaucratic in one way or another. Not only will this directly affect the state organizations' functions and efficiency, it will also weaken the people's authority in administering the state. For this reason, the current organizational reform, in addition to building simpler but more efficient state organizations, will, from a fundamental viewpoint, be conducive to eradicating bureaucracy and establishing a high degree of socialist democracy under which the people's right of being the masters of their own country can be more efficiently exercised. So this is really an important event which is necessary for the four modernizations and which accords with the people's common aspirations.

Now this important event has made a very good start. As far as the reform of various ministries and commissions is concerned, much work has to be done in the next stage. For example, the scope of responsibilities must be clearly defined, efficiency must be improved, placement of the veteran cadres must be properly carried out, rotational training of the cadres must be intensified and the number of staff members must be reduced. Only when these tasks have been properly carried out can our accomplishments in restructuring the state organizations be consolidated and expanded and become more prominent.

As for the reform of the local organizations, enterprises and establishments and the reform of the organizational structure, political and economic systems, they are tasks to be accomplished on a long-term basis. To accomplish these tasks requires us to study and resolve the many new situations and problems. Although numerous difficulties are expected, we must have full confidence in attaining our goals. As long as we act in accordance with the people's common aspirations, it is beyond doubt that our cause will triumph.

RENMIN RIBAO CITIES LENIN ON FIGHTING BUREAUCRACY

HK061524 Beijing RENMIN RIBAO in Chinese 30 Apr 82 p 5

[Article by Song Hongxun [1345 3163 6054]: "'Better Fewer, But Better' -- Studying Lenin's Concept for Improving State Organs"]

[Text] In leading the Soviet state and socialist construction, Lenin always paid close attention to fighting bureaucracy. He also used his profound insight to invent many methods and measures to overcome bureaucracy. One of the important measures he put forth was to improve state organs. At the beginning of 1923, Lenin dictated from his sick bed "How We Should Reorganize the Workers' and Peasants' Inspection," "Better Fewer, But Better" and other important articles that were mainly concerned with the problem of improving state organs. These articles were the important documents that Lenin wrote for the 12th Congress of the CPSU which was about to be held at that time. Studying Lenin's ideas on improving state organs is of practical significance today when we are reforming our government structure.

Socialism, in essence, is incompatible with bureaucracy. Therefore, bureaucracy is not an inherent persistent disease of socialism. However, in a socialist society there is often severe bureaucracy that corrodes the organs of the party and state and it is often so serious a "malpractice" that we have to carry out a prolonged struggle against it.

The October Revolution smashed the old bureaucratic machine of the Russian bourgeoisie and established a workers' and peasants' state. At that time, there were very few instances of bureaucracy in the Soviet Government. On the contrary, the Soviet Government operated speedily and effectively and was full of vigor. This new work style completely cleared up the depressing atmosphere of the old officialdom which was characterized by delays and a perfunctory work style. As a result, the creativeness of the masses was given full play. At the meeting of the All-Russian Central Executive Committee that was held immediately after the victory of the revolution, some leftists of the Social Revolutionary Party demanded, in the tone of lords and masters, an explanation for why the newly-established Council of People's Commissars had promulgated a series of decrees without first applying for approval of the Central Executive Committee. Lenin immediately answered, "Socialism cannot be decreed from above. Its spirit rejects the mechanical bureaucratic approach; living, creative socialism is the product of the masses themselves." ("Collected Works of Lenin" vol 26, p 269) When Lenin recalled this incident later, he said that at that time they did not have any idea about the possible evils of bureaucracy, even though 6 months had passed since the October Revolution.

However, a socialist society emerges, after all, from the womb of a capitalist society. Therefore, the old ideologies, customs and traditions will have an impact on the people for a long time. Bureaucracy, as a vestige of the old society, cannot be eliminated as soon as the old system is overthrown and it will continue to spread in the new society and poison the people. That is why many communists who braved untold dangers during the years of revolution have been consciously or unconsciously tainted with bureaucracy when their positions have changed.

Soviet state power passed stern trials during the years of arduous civil war, but the serious destruction that the war had brought to the economy and the scattered and unorganized nature of small production and the people who suffered poverty also resulted in a revival of bureaucracy within the organs of the Soviet state. Lenin pointed out that the things that were conditions for achieving victory in a blockaded country, a besieged fortress, had by the spring of 1921, revealed their negative side and the bureaucratic practices, as a legacy of the "siege" and the superstructure built on the isolated and downtrodden state of the small producers, fully revealed themselves. (summarized from "Collected works of Lenin" vol 4, pp 526, 527) Therefore, by the time the new economic policies were being implemented to shift the stress of work onto economic construction, various bureaucratic practices, such as abstract empty talk, losing contact with reality, delay in operations, shifting responsibility, redtape, issuing arbitrary directives, abusing power of office, dereliction of duty and employing an excessive number of staff had spread to every department including the party organizations. Regarding this state of affairs, Lenin gained the close attention of the leaders at all levels and called on them to carry out steadfast struggle against bureaucracy. At that time, Lenin fully understood the serious harm of bureaucracy and attached due importance to the struggle against it. In his letter to People's Commissar of Finance G. Y. Sokolnikov, he said, "Communists have become bureaucrats. If anything will destroy us, it is this." ("Collected Works of Lenin" vol 35, p 552)

During 1921 and 1922, Lenin discussed the problem of fighting bureaucracy in many of his articles, letters, reports and work plans and put forth a series of methods and adopted a series of measures to overcome bureaucracy. In May 1921, in the "Instruction of the Council of Labor and Defense to Local Soviet Bodies" which he personally drafted, he focused on the problem of the methods and effort to fight bureaucracy. The methods put forth by Lenin at that time were: reorganizing workers' and peasants' inspection; recruiting nonparty members for the inspection work; allowing legal proceedings to be taken against bureaucrats, dismissing redundant personnel and carefully selecting personnel; inspecting and readjusting the work of the various organizations; and so on.

In order to overcome the malpractice of bureaucracy that was stifling Soviet state organs, Lenin personally took the lead in doing a lot of work and set an example. For example, in 1922, Lenin went out on some business, but he did not travel in the manner of a "high-ranking official." Instead, he took a train. As a result, he found that "things could not be worse.... Nobody is looking after things and nothing is in good repair, nothing is in good order. It seems that all the fuel is stolen and there is water in the kerosene. The engine's operation is so rough that no one can stand it.... It is simply a shame to run things in such a disorderly way and to work so perfunctorily." After this journey, he wrote a letter to the leading person concerned and demanded that he immediately appoint a person to take charge of this work and put an end to acting as bureaucrats and overlords. (summarized from "Lenin on the Socialist Construction of Soviet Russia" pp 275 - 277)

Lenin time and again requested the relevant departments to mete out administrative punishment to those who neglected their duties and dismiss or even prosecute them if their offenses were serious. Sometimes Lenin personally pursued some officials for delay and dereliction and asked the judicial departments to punish them. He thought that public trials of these cases would raise people's sense of responsibility and draw the attention of the broad masses and the broad ranks of cadres to this problem. Thus the aim of the trials would be really achieved and the development of the economy would be facilitated.

In October 1922, at the fourth session of the All-Russian Central Executive Committee's ninth convocation, Lenin said that he was particularly concerned about the problems in state organs. He said that this was an old problem but it would always remain new. When he recalled the simplification of the state organs, he said that according to an investigation in August 1918, the number of personnel in the state organs and soviet organizations in Moscow totaled 231,000; after a simplification of the overstuffed departments, another investigation was carried out in October 1922 and the result showed that the number of personnel had increased to 243,000 instead of being reduced as was expected. He said with emotion, "the proportion of those, perhaps, scores of courageous and hard-working men and women, relative to the hundreds of those who sabotaged -- or half-sabotaged, floundering among their voluminous papers -- this proportion is very often such that our vital affairs became submerged in a deluge of paper." ("Collected Works of Lenin" vol 33, p 356)

Though Lenin's sickness took a turn for the worse at the end of 1922, he continued to be concerned with improving the work of the state organs. In the "Pages From a Diary" that he wrote during the time he was sick, he took the general vocational education board as an example and said that many departments of the Soviet state organs were bloated and overstuffed. The scale of these departments and their personnel had to be reduced. In fact, many departments and their personnel had to be reduced. In fact, many departments had been disproportionately inflated for their selfish departmental interests. He wrote, "There is still very much in the proletarian and peasant state that can and must be economized on.... This can be done by closing institutions which are playthings of a semi-aristocratic type" without exception. (ibid, vol 33, p 419)

Lenin always regarded fighting against bureaucracy as an issue of vital concern to the socialist cause and to the destiny of the party and state and treated improving the state organs as an important measure in fighting bureaucracy. He sternly pointed out that "unless we wage a systematic and persevering struggle to improve the state organs, we shall perish before we manage to lay the foundation of socialism" (ibid, vol 32, p 311) However Lenin did not fail to see that fighting against bureaucracy was a long-term struggle and that improving the state organs was an arduous task.

For a time, there were some people who held that only when bureaucracy was completely eliminated could the initiative of the masses be brought into play. Lenin thought that this view was completely wrong. In May 1921, one M.F. Sokolov wrote to Lenin and said, "Independent mass activity is possible only when we wipe off the face of the earth those ulcers which are called bureaucratic general offices and central boards."

In reply, Lenin wrote, "Although I have not been out in the provinces, I know this bureaucracy and all the harm it does. Your mistake is to think that it can be destroyed all at once, like an ulcer, that it can be 'wiped off the face of the earth.' This is a mistake. You can throw out the czar, throw out the landowners, throw out the capitalists. We have done this. But you cannot 'throw out' bureaucracy in a peasant country; you cannot 'wipe it off the face of the earth.' You can only reduce it by slow and determined efforts. To 'throw off' an ulcer of this kind is impossible. It can only be healed." (ibid, vol 35, p 490) Lenin was of the opinion that the basic way to cure bureaucracy lay in raising the cultural level and management abilities of the masses and that an important measure was to radically improve the state organs. He thought that the principle in improving state organs must be "better fewer, but better."

ARTICLE ON STATESMAN WEI ZHENG'S LAST YEARS

HK070341 Beijing GUANGMING RIBAO in Chinese 26 Apr 82 p 3

[Article by Zhou Huaiyu [0719 2037 1342]: "Wei Zheng's Resignation"]

[Text] In the 10th year of Zhenguan (A.D. 636), 57-year-old Wei Zheng became old and feeble before his time as a result of overwork, poor health and illness. He earnestly requested Li Shimin to let him resign and retire lest he should adversely affect state affairs, but his requests were repeatedly turned down. In order to explain the matter more clearly, he presented a compendious memorial to Li Shimin, saying: "During the Sui Dynasty, I experienced various hardships and most people of my rank died. Now that peace has been restored and you have promoted me to a high position, I wish I could use my position to repay your kindness and benevolence. I formerly suffered from eye trouble which, compounded by nettle rash, has become more serious with each passing day. As soon as it grows dark, I cannot see anything from a distance of several feet away. If I move about quickly, there is a palpitation in the pit of my stomach. Now that there is great order across the land and there are a large number of talented persons, there is no reason for a sick person such as myself to stay at my post. Not only should I not be promoted, I should be relieved of my post. Please appoint me to a sinecure post so that I can wait upon you, fully express my views on various matters and make good the omissions and deficiencies. This is not just a pretension but my sincere wish." ("Quotations From Wei Zheng's Expostulations," vol 5)

From this memorial we can see that there were three reasons or motives why Wei Zheng wanted to retire:

First, he was old and infirm. He "formerly suffered from eye trouble which was later compounded by nettle rash" and "there was a palpitation at the pit of his stomach" (believed to be heart trouble). He was not equal to his job and therefore "should be relieved of his post." Second, "there were a large number of talented persons, there was no reason for a sick person like him to stay long at his post." Wei Zheng therefore decided to retire and yield his position to a more talented person in order to conform to the natural law of supersession of the old by the new. And third, Wei Zheng proposed that he be an "official with a sinecure post" (an official with a rank but without power) and to wait upon Li Shimin with the intention of "making good the omissions and deficiencies" and reflecting upon things as they really were. This was in fact an attempt to detach himself from the onerous daily routine and move into a more suitable position in order to give counsel to the cause of Zhenguan.

Wei Zheng in fact discussed retirement with the emperor by means of the three-point proposal stated in the memorial. He pointed out two important questions to Li Shimin. First, those who were old and infirm should retire and yield their posts to more talented persons because this conformed to natural law and was demanded by the situation. Second, when, old officials retired, they should not be leisurely and carefree but should "make good omissions and deficiencies" and "fully express their views" on important and long-term problems in order to continually make contributions to the long-term peace and good order of the country.

Li Shimin finally realized the truth in that Wei Zheng had expressed his heartfelt views. Thereupon he approved Wei Zheng's request and relieved him of his post by appointing him to a "sinecure post." This was a senior "sinecure post" specially set up for retired senior officials. They had no specific duties but had to take part in discussions of important state affairs and to check up on work. Li Shimin also instructed Wei Zheng to take charge of an "advisory body." Wei Zheng's salary, his attendants and the number of soldiers guarding the gate and doors of his mansions were provided as usual at no cost.

Wei Zheng died of illness 7 years after he retired. He did not spend the remaining 7 years of his life idly for, after his retirement, he persisted in doing two jobs. First, he wrote books to establish his theory. In the 11th year of Zhenguan (A.D. 637), he made contributions, together with Fang Xuanling, for the perfection of decrees, regulations and rites of the early Tang Dynasty by revising 138 articles of the "new etiquette." Second, he was concerned about the political situation and constantly had discussions with Li Shimin. He paid close attention to every major policy decision of Li Shimin that had a strong bearing on politics and discussed them with him when such matters arose. Not only did he have oral discussions with Li Shimin he also constantly presented written memorials. In the year following his retirement, Wei Zheng sent no less than four "memorials" in 1 year, expressing his views on many important questions such as the selection and employment of able and virtuous persons, giving up an extravagant life and adopting a frugal one and preparing for danger in times of peace. When he detected Li Shimin's faults, he remonstrated with him without mincing words, adopting the attitude of "being ashamed that the emperor could not compare favorably with Yao and Shun." In his later years he wrote the famous "memorial on 10 questions for reflection" and "memorial on 10 faults" in which he raised 10 questions for reflection to Li Shimin and set forth 10 great faults, with analysis and criticism, so that Li Shimin was greatly moved. The older he became, the more bravely he talked with Li Shimin. It was not until the 17th year of Zhenguan (A.D. 643) when he was suffering from a severe and lingering illness and was on his deathbed that he stopped writing his unfinished will in which he admonished Li Shimin "not to hesitate to employ able and virtuous persons and remove the evil ones." It was no wonder that when Wei Zheng passed away Li Shimin expressed his heartfelt condolences by saying: "I have lost a mirror in Wei Zheng's death."

WANG ZHEN, DENG LIQUN PRAISE WANG XUEWEN

HK060829 Beijing ZHONGGUO XINWEN SHE in Chinese 0720 GMT 4 May 82

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- In his speech given at the celebration meeting marking the 55th anniversary of Wang Xuewen's taking up theoretical and educational work, Wang Zhen, member of the CCP Politburo and newly appointed headmaster of the CCP Central Party School, said that retired old cadres and cadres who had left their posts for convalescence should shoulder the heavy responsibility of passing on experience, helping and setting an example for young cadres and should make contributions to building socialist material and spiritual civilizations in China.

Wang Xuewen is one of China's earliest Marxist economists and is already 87 years old. Yesterday, the Chinese Academy of Social Sciences held a celebration meeting marking the 55th anniversary of his taking up theoretical and educational work. Wang presided over the celebration meeting and made a speech.

Deng Liqun, director of CCP Central Committee Propaganda Department, also spoke at the meeting. He praised Wang Xuewen and said that he had worked seriously and led a simple life and was worthy of being regarded as an inner-party model.

The 87-year-old Wang Xuewen went to study in Japan in his youth. He was the student of Hajime Kawakami, a noted economist. In the 1920's and 1930's, he was engaged in the left-wing literary movement in Shanghai. During the war of resistance against Japanese aggression, he was engaged in theoretical and educational work in Yanan for a long time. After the founding of new China, he was pushed aside and for a long time attacked by Chen Boda and others. Wang Xuewen has made many important academic contributions. His chief works are "An Introduction to Social Problems," "Modern History of Economic Thinking in Europe," "Outline of the Course of Political Economics" and "Several Questions on the Methodology in Political Economics." They all have been very influential.

Also present at the celebration meeting were noted personages Fan Ruoyu, Guo Huaruo, Song Zhenting, Liao Gailong, Zhang Xiangshan, Qin Chuan, He Ying, Yu Zhan, Mo Wenhua and Liu Da.

TRANSPORTATION CALLED 'WEAK LINK' IN ECONOMY

HK070237 Beijing CHINA DAILY in English 7 May 82 p 3

[Text] The volume of cargo handled by China's railways, highways and rivers has increased 14.8-fold since 1952, while the number of passengers has increased 8.2-fold, the WORLD ECONOMIC HERALD [SHIJIE JINGJI DAOBAO] of Shanghai reports.

However, transportation is still a weak link in the development of China's industry and agriculture. Last year, in Shanxi, the richest coal-mining province, lack of transportation held up more than 17 million tons of coal.

Foreign ships have been stuck in Chinese ports due to lack of facilities. In 1980, this caused a loss of \$200 million in state revenues. Traveling whether by land or air is a headache for most people.

The WORLD ECONOMIC HERALD said insufficient investment is the main reason for the under-developed transportation system. The paper said in 1957, economist and statesman Chen Yun warned that backward transportation would hamper the national economy. He advocated that more funds be allocated for this sector. But his advice went unheeded and investment in transportation averaged only one to two per cent of GNP.

Network

In comparison, the article said, Japan spent about 3.6 per cent of its GNP from 1959 to 1969 to build up a transportation network.

China's system is also not well planned, the article said. Some branches are neglected and too much money is concentrated in building new railways.

The nation has more than 51,000 kilometres of railways which handle 70 per cent of the volume of cargo transport. But, not enough attention has been paid to improving the busy lines in the eastern half of the country.

River and coastal navigation, which handled 20 per cent of cargo transport before liberation, now only handle 13 per cent. The costs are higher than rail transport. This is true of Yangtze River transport, which has received negligible investment.

Highway transport fees in China are about 20 times higher than railway charges. In some other countries the ratio is six to one.

The article said that readjusting the structure of the transportation network and improving management could raise efficiency and greatly relieve congestion. But this sector needs investment.

EDITORIAL ON WORKERS' REWARDS, PENALTIES

HK061010 Beijing RENMIN RIBAO in Chinese 3 May 82 pp 1, 4

[Editorial: "Both Rewards and Penalties Are Essential"]

[Text] The "regulations on rewards and penalties for enterprise workers and staff members" promulgated by the State Council is an important law for developing economic construction and spiritual civilization. It must be implemented in all localities and by all departments and enterprises.

Modern socialized mass production calls for strict labor discipline. Since the downfall of the "gang of four," the majority of enterprises have shown a change for the better in varying degrees in the observance of labor discipline. However, at present, the pernicious influence of anarchism which prevailed during the decade-long internal disorder has not yet been wiped out. In some factories and mines, the phenomena of disorder and lax discipline exist to a serious extent. A very small number of people have long been feeding themselves on the grain grown by the peasants and receiving wages from the state but they make trouble instead of doing any work. They refuse to mend their way although the leaders have criticized and educated them and the masses have helped and exhorted them. Some of them run wild and have become absolutely lawless. They are "black sheep" spreading their evil influence on the masses and causing serious obstruction to production, work and social order. This situation should no longer be allowed to exist.

It is highly necessary to lay down a system strictly governing rewards and penalties in order to maintain good order in production and work. Enterprises should commend and reward the workers and staff members who have done their jobs well and observed discipline and the law. They should punish, by way of economic and administrative penalties, and even expel those who have seriously violated labor discipline and refused to mend their ways after repeated education. Rewards and penalties supplement each other and both of them are essential. Those who have rendered meritorious service should be rewarded and those who have made mistakes should be punished. Only when rewards and penalties are meted out strictly and impartially will it be possible to encourage the advanced and motivate those who lag behind. If rewards are not given for good performance and penalties are not given for evil deeds and if right and wrong are confused, it will be impossible to establish good order. This is true in society and also in an enterprise. People often find it easy to see the use of rewards but do not see the necessity of penalties. For this reason, some comrades regard rewards as an absolutely good thing and penalties as an absolutely bad thing. In fact, rewards and penalties are the two sides of the same matter. If there are only rewards and no penalties, the role of rewards as encouragement will diminish. If there are only penalties and no rewards, the meaning of penalties as a warning will also diminish. It was clearly laid down in the "outline of labor regulations for state-run enterprises" adopted by the State Council in 1954 that an enterprise might mete out, in accordance with the seriousness of the case, administrative and economic penalties for its workers and staff members who had violated discipline, and that the enterprise might dismiss the offender or refer the case to the court of justice if the offense was serious and caused heavy damages and losses. This shows that meting out rewards and penalties was a correct method which existed before the "Great Cultural Revolution" and which was regarded at that time as just as fair. It was only during the "Great Cultural Revolution" when the people were confused ideologically that they felt that "the spearhead was pointed at the masses" once penalties were mentioned. Actually, the "black sheep" who have been dismissed do not represent the masses. On the contrary, the masses deeply abhor the "black sheep." It is precisely these regulations which ensured good order in society and production in our country during the 1950's. They safeguarded instead of harmed the interests of the masses. Judging by the experiments conducted in Shanghai, in units which had firmly implemented these regulations, a very small number of people were punished and still fewer were dismissed. Some of those who were dismissed had been absent from work for many years without good reason and had actually left the enterprise. Others had seriously violated labor discipline, seriously damaging state property.

They refused to mend their ways after repeated education, and the broad masses of workers and staff members were critical of them. Still others were punished by public security and judicial departments for offenses against the criminal law and were no longer qualified to be workers or staff members. Dismissal of these offenders was precisely a measure to protect the interests of the masses. The workers and the cadres of the enterprises warmly supported it.

If an enterprise does not have the power to mete out rewards and penalties and dismiss offenders, it cannot maintain labor discipline. Such an enterprise cannot be managed properly. Of course, by carrying out political and ideological work among the majority of workers and staff members, by educating them on the work regulations and by implementing the reward system, we can urge them to consciously observe rules and regulations and maintain good order in work and production. However, it will not do to just persuade and educate the very few people who go in for anarchism and spread their evil influence on the masses. There must be essential, strict discipline to keep them within bounds. We have always put emphasis on education. But, education cannot serve all purposes. It is incorrect to overemphasize education and to exaggerate the role of education to the extent of doing away with the legal system or underrating the use of the legal system. Especially today when the general mood of society has not yet basically changed for the better, education alone cannot solve all problems if a strict legal system is lacking. It is clearly laid down in the "regulations on rewards and penalties for enterprise workers and staff members" that an enterprise has the power to mete out rewards and penalties and in particular to dismiss those who have seriously violated labor discipline and refused to mend their ways after repeated education. These regulations inhibit some people from taking a socialist enterprise as a place where they can do evil and from cherishing the idea that they cannot be dismissed from the enterprise. Some units have carried out these regulations. Their management has taken on a new look and their workers and staff members are full of vigor, observe labor discipline more strictly and carry out production in still better order. This testifies to the usefulness of these regulations.

In implementing the regulations of rewards and penalties, it is necessary to attach primary importance to strengthening political and ideological work. Penalties are a special form of education. They are the means and not the end. The masses should be mobilized to seriously study the regulations so that they understand why they should be rewarded or punished, what they should do and what they should not do. Generally speaking, it is necessary to uphold the principle of relying mainly on ideological education and taking penalties as a supplement. In dealing with a specific case regarding a particular occurrence or individual, it is necessary to make a meticulous analysis. This specific case should not be taken as the pretext to oppose punishing those who should be punished. Making efforts to commend the advanced, establish healthy practices and emulate good personalities and good deeds has always been the focus of our political and ideological work. This is the only way to enable everyone to tell right from wrong, honor from disgrace, and consciously safeguard rules and regulations and labor discipline. The workers and staff members should be educated to cultivate the sense of responsibility as masters of their own affairs and the good habit of observing discipline and law. Particular attention should be paid to doing ideological work among workers and staff members who are lagging behind. Efforts should be made to patiently and meticulously carry out ideological work with those who have seriously violated labor discipline. Due penalties should be meted out for those who must be punished. The rules and regulations should be carried out in such a way that it is possible to attain the goal of educating the offenders as well as all others. It is imperative first to tell the offenders the reason why they should follow the rules and regulations before they are punished according to law. In no way should the meting out of penalties be taken as a simple matter and the punishment of offenders as a matter that gives pleasure. It is wrong not to conduct education at ordinary times and to punish an offender once he goes against discipline. It is still necessary to educate the very few people who have been dismissed and to help them turn over a new leaf and become useful persons, instead of showing no interest in them. Leading cadres are absolutely forbidden to find excuses to mete out punishments to retaliate on the masses who pointed out their violations against economic discipline. Such a leading cadre is bound to be punished.

Leading cadres of enterprises must act exemplarily and uphold principles in order to give rewards and punishments impartially. At present, some enterprises have lax and weak leaderships. They dare not look into the violation of labor discipline by their workers and staff members, still less punish them. They even compromise with and tolerate the few troublemakers. As a result, there is no difference between merits and demerits and between right and wrong; those who should be rewarded are not rewarded and those who should be punished are not punished. This greatly dampens the enthusiasm of the workers and staff members. It should be understood that it is impossible to establish healthy practices without cracking down on unhealthy practices; tolerating and being overlenient to evil-doers and evil deeds means promoting unhealthy practices and breaking away from the masses. For this reason, leading cadres must uphold principles, look into violations of discipline and mete out rewards or punishments when necessary. At the same time, it is necessary to make investigations penetratingly and meticulously, so that rewards and punishments are given to those who deserve them. We can believe that during the overall consolidation of enterprises, as long as the regulations of rewards and penalties are seriously implemented, it is definitely possible to increase the workers' and staff members' sense of responsibility as masters of their country and to establish good order in production, work and society so that a new situation where rewards and punishments are given impartially and everything is in good order will be opened up in the socialist enterprises.

ARTICLE EXAMINES LIU SHAOQI'S ECONOMIC POLICIES

HK070430 Beijing GUANGMING RIBAO in Chinese 25 Apr 82 p 3

[Article by Lu Yu [7120 7183] and Wang Yu [3076 5940]: "We Must Proceed From Actual Conditions When Formulating and Carrying Out Economic Construction Policies -- Studying Liu Shaoqi's 'On Economic Construction Policies in New China'"]

[Text] "On Economic Construction Policies in New China" was an outline of a report written by Comrade Liu Shaoqi in June 1949. In accordance with the spirit of the Second Plenary Session of the Seventh CCP Central Committee, Comrade Liu Shaoqi made a penetrating analysis of the social and economic situation in new China and expounded the essential principles, policies and measures that should be adopted in the course of building our economy. Even today, this important article is still very applicable.

A proletarian political party must stipulate correct policies and must not proceed from subjective assumptions or knowledge we get from books. Instead, we must proceed from actual conditions. This is the seek-truth-from-facts policy advocated by our party all along.

After the establishment of new China, what was the economic situation in our country? First of all, as the outline mentioned, the basic situation was that "ours is a big country that is backward in industry, and furthermore, development is uneven." At that time, the output value of modern industry was only about 17 percent of the GNP and the foundations of some major light industries, processing industries and heavy industries was very weak. Furthermore, the only existing industries were concentrated along the coastal areas; the distribution was irrational. Agriculture and the handicraft industry, which constituted more than 80 percent of the national economy, were still using tools that were not much different from those which had been used in ancient times. After the establishment of new China, although "the economy of our country will have a speedy recovery and development," in order to change the backward economic situation, we will have to work very hard for a long time. Under the circumstances that our industry was backward and developments were uneven, it was inevitable that economic sectors of different natures and forms would concurrently exist after we had won the revolution. It was impossible to practice a unitary system of socialist ownership of the means of production. Within a certain period of time, we could only practice the new democratic economy which was principally formed of five economic sectors under the leadership of the proletariat (through the Communist Party).

These five economic sectors were: the state sector of the economy, the cooperative sector of the economy, the state capitalist sector of the economy, the private capitalist sector of the economy, the small commodity sector of the economy and the seminatural economy. This was the other basic economic situation in new China. In his outline, Comrade Liu Shaoqi also specifically analyzed the nature of and roles played by the five economic sectors. He pointed out: "Contradictions and struggles do exist in the new democratic economy formed by the above-mentioned five economic sectors. This is the struggle between socialist and capitalist factors and tendencies. In other words, this is a struggle between the proletariat and the bourgeoisie. This is the fundamental contradiction in new China since the imperial and feudal powers have been eliminated. This contradiction and struggle will determine the future of China -- whether China will finally become a socialist or capitalist society. We hold that the new democratic economy is an economy of a transitional nature." Comrade Liu Shaoqi succinctly and precisely analyzed the basic economic situation in new China in his short article. He correctly pointed out the nature, the basic contradictions and the possible prospects of the social economy of new China. This analysis laid a scientific foundation for our party to stipulate and implement correct principles and policies.

In accordance with his analysis that the new democratic economy was an economy of a transitional nature and there were two possible prospects, Comrade Liu Shaoqi proposed that the responsibility of our party was "to gradually increase the socialist sector of the national economy if possible and strengthen planning of the national economy so as to steadily change to socialism step-by-step." This had two meanings. First of all, our responsibility was to bring about the transition to socialism; second, this transitional period could only be realized step-by-step over a long period of time. This task proposed by the outline not only conformed to Marxism-Leninism and the communist objective of the struggle, but also conformed to the actual situation of our country. Since the new democratic state had already established the state sector of the economy which was socialist in nature, it controlled the economic lifelines of the country and occupied the leading position in the national economy. There was the state capitalist economy, which was very similar to the socialist economy, serving as a supplement to the state economy to a certain extent. There was the cooperative economy, which was socialist in nature in varying degrees, serving as an ally of the state economy and as a supplement of decisive significance. Therefore, under the guidance of the correct principles and policies of the Communist Party and the new democratic country, the socialist sector of the national economy would certainly grow step-by-step and new China would be able to avoid developing toward capitalism and would realize the transition to socialism. Any standpoints that were suspicious of the prospects of socialism were groundless. However, during the initial period after new China was founded, the economy of our country was very backward, the state economy was an impressive, but still a very tiny sector of the national economy. The cooperative and state capitalist sectors of the economy were also very small. However, the small commodity and seminatural economy occupied a dominant position. Under these circumstances, it would certainly take a long time to change the private capitalist economy into a socialist economy and to realize the collectivization of agriculture. Furthermore, there would be acute struggles. In his outline, Comrade Liu Shaoqi pointed out: "This transition must be carried out amid acute arduous struggles over a long period of time. This was what Lenin said during the time when the Soviet new economic policy was practiced: It is a question of 'who beats whom.'" It was also groundless to hold that socialism could be accomplished speedily without going through the essential procedures.

To accomplish the above-mentioned tasks, in light of the different economic sectors, Comrade Liu Shaoqi pointed out different policies: "We must take developing the state economy as the principle. We must establish a cooperative economy and extensively and closely integrate the cooperative economy with the state economy. We must help the small producers to gradually develop toward the orientation of cooperatives. We must organize the state capitalist economy to allow the development of a private capitalist economy within the limits that are advantageous to the national economy and the people's livelihood."

"We must gradually incorporate businesses which are monopolistic in nature under state management. Such businesses can also adopt methods used by the state capitalist economy under the supervision of the state. We must prohibit all speculation and businesses which are harmful to the national economy and the people's livelihood." In light of the fact that we were inexperienced in economic construction at that time, there were no comprehensive economic policies and plans, the cadres knew nothing about how to manage the economy and there was no leading economic organ throughout the country. The outline put forth a series of specific policies and methods.

Practice has proven that the guiding ideology and the principles and policies expounded by Comrade Liu Shaoqi in his outline are practical and realistic and they proceeded from the actual situation of China. They were positive and stable measures. It appears as if the process of replacing the capitalist economy with the socialist economy will be delayed if we promote the economy in accordance with this guiding principle. In actuality, it will not be delayed, but rather it will be expedited because we can avoid unnecessary troubles caused by rash action. As a result, the whole national economy will develop substantially and the socialist sector of the economy will gradually grow larger.

In the final part of the outline, Comrade Liu Shaoqi emphatically pointed out that in the future, we must oppose the two erroneous tendencies in building the Chinese economy. One was "the capitalist tendency," which meant "giving up the leading role of the proletariat in the building of the new democratic economy," "placing all hopes on the development of the private capitalist economy, making unprincipled concessions to the capitalists and making allowances for the weak points of the petite bourgeoisie." The other was "the adventurist tendency," which meant "in our economic plans and measures, adopting, too early and without preparation, socialist measures which are impractical and unfeasible." Later, mistakes made by our party in regard to the guiding ideology were exactly the consequence of the latter erroneous tendency. "The Great Leap Forward" and the people's communes movement begun in 1958 resulted in people setting excessive quotas and giving blind instructions. The practice of making exaggerations and the "communist wind" ran rampant. During the "Great Cultural Revolution," the erroneous leftist tendency began to show its pernicious effects, and went to extremes. After the "gang of four" was smashed, its pernicious influence remained effective for a period of time. Impractical slogans and targets which exceeded the actual national strength were proposed. This accelerated the serious imbalance in the proportions of the national economy and aggravated our financial difficulties. Since the 3d Plenary Session of the 11th CCP Central Committee, we have basically brought order out of chaos and gradually corrected the leftist errors in the guiding ideology. As a result, the economy of our country has gradually developed along a correct path.

From an epistemological point of view, the two tendencies pointed out by Comrade Liu Shaoqi emerged because we did not have a correct understanding of the basic condition of our country. In regard to the transformation of the social economy, if we cannot recognize changes when there has been considerable progress in the political and economic development of our country and when socialist transformation of agriculture, handicraft industry and capitalist industries and businesses is on the agenda, then we will be committing rightist mistakes. On the other hand, when the standard of our economic development is comparatively low and when we have not developed to a stage where the economic relations should be transformed, if we transform the existing economic relations excessively and at too fast a speed, and exceed the level of economic development, then we will be committing leftist mistakes. In regard to economic construction, we made mistakes in the past because we did not proceed from the actual situation of China and were too eager to fulfill the task and we blindly sought excessive quotas. As Comrade Liu Shaoqi pointed out, the result was that "we have exceeded the practicability and feasibility of our economic plans and measures." This caused serious losses to the national economy. Lessons like these were numerous and very profound.

The basic spirit of the struggle between the two lines of economic construction proposed by Comrade Liu Shaoqi is still applicable to us today.

RENMIN RIBAO CONTINUES DEBATE ON ANARCHISM

HK070853 Beijing RENMIN RIBAO in Chinese 3 May 82, p 5

[Article by Gu Zhaoji [7357 5128 1015]: "How To Understand the Scientific Nature of Criticism of Anarchism -- A discussion With Comrade Ma Jia"]

[Text] Editor's note: The article by Comrade Ma Jia was published on 31 January 1980, on page five of this newspaper. Following its publication, Comrade Gu Zhaoji wrote an article putting forward a different view of the question. This article, however, was not published at the time; in response to the author's demands we now publish it for the first time. We also reprinted Ma Jia's original article in full. In our opinion Ma Jia's article raises some interesting questions concerning the criticism of anarchism. It contains solid analysis, presents a clear case and is written in a crisp and clear style. The author's view is correct. [end editor's note]

On 31 January (1980) RENMIN RIBAO published Ma Jia's article "We Must Pay Attention to the Scientific Nature of Criticism of Anarchism" which criticizes other people for being unscientific in their criticism of anarchism. The author believes that since the founding fathers of anarchism are all opponents of the state they are all therefore opponents of democracy. Therefore it is incorrect to say that anarchism represents a form of extreme democracy or a mentality of democracy being paramount.

In my opinion Comrade Ma Jia's viewpoint certainly merits serious discussion. Anarchism, like all other ideological trends opposed to Marxism, is constantly changing in accordance with historical development and changes in form. Under socialist conditions in particular, it must necessarily take on special forms of expression and special camouflage. Unless we pay attention to this the real nature of anarchy might escape our notice.

Everyone is familiar with the fact that as opponents of the state, the founding fathers of anarchism had declared war on all state power. Who at present would dare to openly declare their opposition to all state power? Early anarchism openly advocated individual egoism. Who at the present time, however, would dare to openly support individual egoism. Early anarchism also openly declared a belief in "the ego being the center" and "everything." Who at present would dare to openly sympathize with such views? This being the case, can we honestly say that anarchism simply does not exist in our country?!

Marxism demands that in examining questions we must firmly grasp the essence and study the manifestations. In meeting these demands we have decided that there clearly are some people sympathetic to anarchism. Rather than show the true face of anarchism, these people have adopted the guise of democracy and the mentality of democracy being paramount, and have disguised their true intentions by pretending to struggle for democracy and freedom. Is such a view scientific? Will it not leave people with the impression that anarchism is the true protector of democracy?

So-called scientific nature is really nothing more than seeking truth from facts. What is so unscientific about analyzing the current manifestations of anarchism by seeking truth from facts? Or must we base our assessment of anarchism solely on the definition of anarchism found in dictionaries of philosophy or on examples of primitive anarchism before our view can be considered scientific?

It is entirely permissible for our current notion of anarchism to differ from primitive forms of anarchism. Since everything develops it is important that notions people have should not be too rigid and inflexible. For example we now see that the absence of discipline and organization, the disregard for party directives and decisions, the practice of each area going its own way and the arbitrary issuance of bonuses as all being forms of anarchism. Does the fact that they are different necessarily mean that we are being unscientific?

If we insist, however, on examining today's anarchism in terms of Comrade Ma Jia's primitive and overly rigid notions of what is "scientific" and what constitutes "anarchism" we will not find any traces of anarchism at all. It is therefore hardly surprising that some people see anarchism in the scientific sense as being the product of specific historical conditions and believe that our country suffers only from bureaucratism, and that anarchism fundamentally does not exist. As far as they are concerned, criticism of anarchism is like Don Quixote's jousting with windmills and is the result of arbitrary use of the notion of anarchy.

It seems, however, that if we examine such a view in the light of Ma Jia's own scientific standards it appears far more "scientific" than Ma Jia's own view.

CPPCC NATIONAL COMMITTEE VICE CHAIRMAN SHA DIES

OWO62044 Beijing XINHUA Domestic Service in Chinese 1221 GMT 6 May 82

[Text] Beijing, 6 May (XINHUA) -- Sha Qianli, vice chairman of the CPPCC National Committee, member of the NPC Standing Committee, deputy director of the Commission of Legislative Affairs of the NPC Standing Committee and an outstanding CCP member, died of illness in Beijing Hospital on 26 April after failing to respond to medical treatment. He was 81.

In his youth, Comrade Sha Qianli was progressive and worked tirelessly to seek truth. During the war of resistance against Japan, he served as a lawyer and was active in the anti-Japanese aggression and national salvation movement led by the Communist Party. In November 1936, together with Shen Junru, Shi Liang and four other patriots, he was jailed by the Kuomintang reactionaries for participating in this movement, thus becoming a member of the world renowned "seven-gentleman group." He joined the Communist Party in 1938. For decades he worked hard for the party and the people and dedicated all his energy to the great cause of communism.

When Comrade Sha Qianli was seriously ill, Comrades Hu Yaobang, Chen Yun, Yao Yilin, Shi Liang, Yang Jingren, Liu Lantao, Hu Ziang, Hu Yuzhi, Wang Kunlun and Qian Changzhao visited him in the hospital.

Funeral Committee Namelist

OWO62046 Beijing XINHUA Domestic Service in Chinese 1308 GMT 6 May 82

[Text] Beijing, 6 May (XINHUA) -- Namelist of Comrade Sha Qianli's funeral committee:

Hu Yaobang, Ye Jianying, Deng Xiaoping, Zhao Ziyang, Peng Zhen, Deng Yingchao, Ulanhu, Peng Chong, Xi Zhongxun, Song Renqiong, Yao Yilin, Liao Chengzhi, Xu Deheng, Hu Juewen, Shi Liang, Yang Shangkun, Banqen Erdini Qoigyi Gyancan, Zhu Xuefan, Yang Jingren, Liu Lantao, Lu Dingyi, Li Weiha, Kang Keqing, Ji Fang, Wang Shoudao, Pagpalha Geleg Namgyai, Zhou Jianren, Zhuang Xiquan, Hu Ziang, Rong Yiren, Hu Yuzhi, Wang Kunlun, He Changgong, Xiao Ke, Cheng Zihua, Yang Xiufeng, Burhan Xihidi, Zhou Peiyuan, Qian Changzhao, Liu Fei, Dong Qiwu, Ping Jiesan, Li Gui, Wu Xinyu, Peng Youjin, Chen Guodong, Liu Yi, Wu Xuezhai, Sun Mengqi, Luo Shuzhang, Hu Ziyang, Zhou Shutao, Liu Jingji, Gu Gengyu, Hua Yuqing, Liu Nianzhi, Jiang Peilu, Xiong Yingdong, Zhang Jingli, Liang Shangli, Xu Dixin, Sun Xiaocun, Wang Guangying, Sa Kongliao, Huang Dingchen and Cai Xiao.

CORRECTION TO DRAFT OF REVISED CONSTITUTION

The following correction should be made to the draft of the Revised Constitution of the People's Republic of China published on pages K1-K24 of the 29 April DAILY REPORT: On page K 8, Article 35, third paragraph should read: The state protects legitimate religious activities. (changing "protests" to "protects")

ANHUI'S ZHOU ZIJIAN'S VIEWS ON 4 MAY YOUTH DAY

OWO70238 Hefei Anhui Provincial Service in Mandarin 1100 GMT 4 May 82

[ANHUI QINGNIAN BAO 4 May article by Zhou Zijian, acting first secretary of Anhui Provincial CCP Committee: "Our Hope Lies in Young People"]

[Text] Young comrades: First, I extend to you congratulations on this festive day. By cordial invitation of ANHUI QINGNIAN BAO, I would like to tell you comrades about some of my experiences and my wishes on the eve of the 4 May Youth Day.

Young people have always been the vanguard of the revolution. On 4 May 1919, a world-shaking student movement broke out in Peiping. The students put forth the revolutionary slogan: "Externally, protect our sovereignty; domestically, get rid of traitors," there by holding high the great anti-imperialist and antifeudal banner. The May 4th movement prepared the ideological and organizational basis for our party's birth and opened a new page in the history of the Chinese revolution.

In the early 1930's, I was a young man about 20 years old, just as you are now. It was the great party and the belief in communism that enabled the young men then groping and agonizing in darkness to discover the bright road for our struggle. Like tens of thousands of other revolutionary young people, I plunged myself into the movement of anti-Japanese resistance and national salvation. I joined the CCP at a time when our country was in danger of being conquered. During the war of resistance against Japan, the party transferred me from Yanan to the Xian office of the Eighth Route Army. In the several years I was there, we received and sent to Yanan and revolutionary bases a large number of young people with high ideals, aspirations and ambitions. They had given up their comfortable life in cities to face indescribable hardships and steel themselves and grow up amidst the flames of war. Many of them sacrificed their very valuable lives. A number of comrades in the leading bodies of various levels today were among these young people then.

What was the motivating force behind their actions at that time? It was the patriotic passion for resisting Japan and the firm belief in communism. Whenever we survivors recall this today, we feel greatly encouraged to carry through to the end the cause not yet accomplished by those martyrs. However, our hope lies in the young people. Although there is a big difference in age between us, our ideal to serve the people is the same. We are all comrades and comrades in arms, and are contributing our meager efforts to our socialist motherland.

It is my earnest hope that young people will unswervingly follow the party and foster a firm belief in communism. At present, we must plunge ourselves into the campaign for building spiritual and material civilization. We should intensively conduct the five stresses and four beauties activities, deal fierce blows at serious crimes in the economic field, resist the corrosive influence of bourgeois ideals, foster a new-type generation and carry through to the end the cause of the revolution of the proletariat begun by such proletarian revolutionaries of the older generation as Mao Zedong, Liu Shaoqi, Zhou Enlai, Zhu De and others. Our hope lies in the masses of young people. I hope that you will all exert yourselves to become promising and useful persons and make still greater achievements.

BRIEFS

SHANDONG SPRING SOWING -- Shandong Province has made great progress in spring sowing. According to statistics compiled on 21 April, the province sowed over 13.5 million mu of various crops. The daily sowed acreage reached 1.7 million mu. The progress of the sowing this year is over 100 percent faster than in 1981, starting about 7 days earlier than in 1981. However, this spring operation requires the province to exert efforts to irrigate on a large scale and to apply more fertilizer. According to statistics, of over 48 million mu should be sowed by creating moisture, an increase of more than 8 million mu over the figure of the corresponding 1981 period. [Jinan Shandong Provincial Service in Mandarin 2300 GMT 24 Apr 82 SK]

XINHUA INTERVIEWS CAAC DIRECTOR ON PLANE CRASH

HK070318 Beijing XINHUA Domestic Service in Chinese 1214 GMT 6 May 82

[Text] Beijing, 6 May (XINHUA) -- Our reporter interviewed Shen Tu, director of the Civil Aviation Administration of China (CAAC), who returned to Beijing via Guangzhou after visiting the scene of the accident of Flight CA 266 in Guilin, and asked him questions about the accident.

Question: How did this plane accident occur?

Answer: Flight CA 266 took off under suitable weather conditions, but unfortunately it crashed in the hilly district of Gongcheng 45 km from Guilin. We are organizing a panel of experts from various fields to make a careful study and carry out an objective, scientific and realistic analysis and study before drawing a correct conclusion. This is one of the most serious accidents in the history of civil aviation in China.

Among the 104 passengers who died, some were comrades who worked diligently and made contributions to China's four modernizations: some were dear compatriots from Hong Kong and Macao and Overseas Chinese; and some were foreign friends. All eight members of the crew also died in the crash. On behalf of the CAAC and its entire staff, I express deep mourning for those who died. I also express sincere condolences to the families of the deceased. With deep grief and sorrow, I and my associates are taking up the work of dealing with the aftermath of the crash.

Question: What is the situation regarding clearing of the scene of the accident and removal of the victims?

Answer: Our party and government have attached great importance to this accident. For the sake of dealing with problems arising from the accident, Vice Premier Wan Li called a special meeting of the responsible members of departments concerned 4 hours after the accident. I immediately rushed to Guilin from Beijing, and together with Shi Qingsheng, vice chairman of the Guangxi Zhuang Autonomous Region, the responsible comrades of the municipality and county, drew up a plan and organized a search of the area. Wang Fulin, deputy secretary general of the State Council, visited the scene on the second day. The Guangzhou PLA units also sent more than 600 personnel to comb the area where the accident took place. They surmounted such difficulties as rugged hills, dense forests and rain and carefully looked for the remains and belongings of the victims scattered over seven rugged hills in an area 3 km long and 2 km wide. Within 3 days, they discovered the remains of 104 victims in a relatively complete state as well as some incomplete remains. After reconstruction and preservation, the remains were flown to Guangzhou by special plane. At present, the departments concerned of Guangdong Province and the CAAC are organizing the families of the victims to identify the remains and belongings and to deal with problems resulting from the accident.

Question: How about the question of compensation?

Answer: Compensation will be made to the families of the victims at preferential rates, according to international and domestic rules and CAAC regulations. Our government is a signatory to the 1929 Warsaw Convention on international air transport and the revised 1955 Warsaw Convention signed in The Hague in 1955. We will live up to this commitment.

According to point 1 of Article 22 of the Warsaw Convention signed in The Hague, victims of air accidents on international routes will be paid 250,000 francs. Point 5 of Article 22 of the same revised convention and the Chinese rule is \$20,000. All passengers on board Flight CA 266 carried tickets for a domestic flight from Guangzhou to Guilin. However, our government has taken into consideration the conditions and environment in which the Hong Kong and Macao compatriots, Overseas Chinese and foreigners lived, and decided to pay a preferential compensation rate of \$20,000 per person according to the standard of the convention. As for luggage, all those with value declared beforehand will be compensated according to the value declared. Those without declared value will be compensated 250 francs (or \$20) per kilo. Compensation for hand luggage and other property cannot exceed \$400. If under \$400, compensation will be based on actual value. The compensation of domestic passengers is governed by domestic rules and regulations, but they will also be paid a preferential rate. Anyone who claims the compensation will have to go through certain legal procedures to obtain it.

Question: What safety measures is the CAAC going to take in the future?

Answer: Although there are still some shortcomings in the service of the CAAC, it has a long safety record and enjoys a very high reputation for safety both at home and abroad. After this crash, the CAAC has adopted a series of measures to ensure air safety and called on all personnel to conscientiously sum up experiences and lessons, strictly observe the responsibility system and conscientiously implement rules and regulations. Leading members at various levels have extensively gone to the basic level, and sent their most experienced technicians and leadership cadres to ride on planes and check on the implementation of safety measures everywhere. At present, the condition of aviation transportation throughout the country is normal. We must do all we can to ensure air safety.

GUANGDONG'S REN ZHONGYI VISITS LUFENG COUNTY

HK020638 Guangzhou Guangdong Provincial Service in Mandarin 2350 GMT 1 May 82

[Summary] Provincial CCP committee First Secretary Ren Zhongyi, who is currently inspecting work in Shantou Prefecture, visited various industrial enterprises in Lufeng County in 1 May. He extended May Day greetings to the workers.

WU KEHUA ATTENDS GUANGZHOU PLA YOUTH DAY MEETING

HK050127 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 4 May 82

[Summary] The Guangzhou PLA units held a rally on 4 May to mark Youth Day and commend outstanding CYL branches and members. Some 1,400 young PLA personnel attended. Also present were responsible comrades of the Guangzhou PLA units and their leading organs, including Wu Kehua, Jiang Xieyuan, Liu Changyi, Xu Fangchun, Shan Yinzhang, Lai Chunfeng, Chen De, Zhu Ying and Chen Hide. Chen Jide, director of the Political Department of the Guangzhou units, read out the department's order on commending outstanding CYL branches and members. Commander Wu Kehua and others presented awards. Deputy Political Commissar Shan Yinzhang made a speech.

HAINAN'S LUO TIAN ON STUDY OF DRAFT CONSTITUTION

HK060741 Haikou Hainan Island Service in Mandarin 0330 GMT 5 May 82

[Summary] The Hainan Regional CCP Committee Standing Committee held a meeting on 3 May to discuss the draft of the revised constitution and make arrangements for the entire region to study and revise the draft. The participants held that: "the discussion of the draft by people of all nationalities is an important event in China's political life. It is a concrete expression of socialist democracy." After conscientious discussion, the participants deepened their understanding of the reform of China's socialist economic structure and state apparatus.

Luo Tian, first secretary of the regional CCP committee, put forth the following three-point requirement for the entire region to publicize, study and discuss the draft: "1) CCP committees and political and judicial departments at various levels must conscientiously implement the spirit of the circular on studying the draft of the revised constitution issued by the provincial CCP committee and take the lead in study and discussion. 2) It is necessary to extensively and deeply publicize the draft of the revised constitution so that everyone will understand it. 3) It is necessary to make study and discussion a motive force in the building of socialist spiritual and material civilizations. All units and departments must integrate study with reality and solve existing problems in the units and departments."

On the same day, leaders of the Hainan Military District also held a meeting to discuss the draft of the revised constitution. Deng Yifan, vice commissar of the Guangzhou Military Region, who was inspecting work in Hainan, attended and spoke at the meeting. In accordance with the requirements of the circulars issued by the PLA General Political Department and Guangzhou Military Region, the meeting also made arrangements for the army to study the draft of the revised constitution.

HENAN RADIO URGES DROUGHT RESISTANCE MEASURES

HK070800 Zhengzhou Henan Provincial Service in Mandarin 1100 GMT 6 May 82

[Station commentary: "Act With Great Urgency, Rise To Resist Drought and Protect Wheat Growing"]

[Summary] In Henan Province, drought has been gradually extending from the north to the south since April. In the past few days, it has become more serious because of strong winds which caused severe evaporation of moisture in the soil. Now moisture content of the soil is about 10 percent in most parts of our province, and in some areas it is below 10 percent. This constitutes a great threat to wheat growing and sowing of autumn crops. At present it brooks no delay for the party and people to rise to combat drought, protect wheat growing and ensure sowing of autumn crops. Since the coming of spring, successes have been scored in many localities in cultivating wheatfields, in preparing the soil for spring sowing and in protecting wheat growing, particularly in drought areas. However, we must be aware that leaders of some localities lack sufficient understanding of the urgency and importance of this combat task and are slow-moving. Some are afraid of difficulties, and some are relying on luck. At any rate, they are not quite ready to fight against drought and gain victory in actively reaping harvests. Moreover, in some places, water is running off in large quantities and is not channeled into farmland. Now, as summer begins, wheat needs ample water for growing, and it is also time for sowing autumn crops. Therefore, now is the time to take action to fight against drought, which decides the size of harvests in agricultural production for the entire year. One should never be indifferent to it, as it has an important bearing on the national economy and people's livelihood.

Party and government organs at various levels should organize more forces to go to the forefront in fighting against drought. It is necessary to further propagate and implement the essential points of the No 1 circular issued by the central authorities. Meanwhile, it is necessary to bring into full play the role of all irrigation facilities, to develop water resources by all means and to conserve as much water as possible. It is also necessary to do well in supplying materials to fight against drought, and particularly rationally distributing oil.

During the time of drought resistance, we must see all advantages. As long as we go into action immediately, we are sure to win in withstanding drought and reaping all-round bumper agricultural harvests this year.

HUNAN MEETING ON PEOPLE'S CONGRESS COMMITTEES

HK060303 Changsha Hunan Provincial Service in Mandarin 2310 GMT 5 May 82

[Text] A provincial symposium on the work of people's congress standing committees of autonomous prefectures, municipalities, counties and urban districts was held in Changsha from 28 April - 5 May.

Some 200 persons attended the meeting. The participants studied and discussed the draft revised constitution and relevant central documents. Representatives of more than 20 units discussed their experiences. Provincial CCP committee First Secretary Mao Zhiyong and provincial people's congress standing committee Chairman Wan Da spoke at the meeting.

The meeting held: The people's congress standing committees at all levels in Hunan have done much work since their establishment. They have accumulated some initial experiences. In order to bring into further play the functional roles of the local state power organs in the new historical period, it is essential to firmly establish in ideological understanding the legal status and authority of the people's congress standing committees at all levels. These committees must do a good job in supervising the people's government, court and procuratorate at the corresponding level.

The meeting demanded that the CCP committees at all levels respect and support the work of the people's congress standing committees and persistently act according to law, in accordance with the spirit of democracy. The people's government, courts and procuratorates at all levels must be responsible to the people's congress standing committees at the corresponding levels, take the initiative in reporting to them on their work and spontaneously accept their supervision.

The meeting pointed out: At present, the people's congress standing committees at all levels must regard mobilizing and organizing the masses to discuss the draft revised constitution as a leading task and tackle it thoroughly. They must ensure that the basic spirit and contents of the draft revised constitution are known to and understood by everyone. By carrying out discussions among all the people, they should lay an excellent foundation for further bringing socialist democracy into play and putting the socialist legal system on a sound basis in the future, and thus promote the advance of all work.

HUNAN RIBAO REPORTS ON RURAL LOAN PROBLEMS

HK060323 Changsha Hunan Provincial Service in Mandarin 2310 GMT 5 May 82

[Text] The 6 May HUNAN RIBAO, on page 1, carried a letter from Comrades (Luo Xiaoshu), (Wang Jisong) and (Tang Zhenan) proposing that it is essential to solve problems in issuing of loans for agriculture.

The letter said: We recently went to Chenqi County to investigate and find out about the situation in issuing agricultural loans. We found that there is a "two many and one few" trend in this work. First, there are many loans for nonproductive purposes. Certain credit and loan departments have the idea of simply making a profit, and think that they can make more profit by issuing high-interest loans. Second, many loans are issued to people who strike up connections with the credit and loan departments. Some cadres in these departments make use of loans to strike up connections. Few loans are issued to households in difficulties. There are about 11,000 households seriously short of production capital. This figure accounts for about 15 percent of the total number of rural households in the county. Some credit and loan cadres consider only the capacity of people to repay loans and are thus unwilling to lend money to households in difficulties.

Due to the problems in the issuance and management of agricultural loans in the previous period, this county has now exceeded its loan quota by 820,000 yuan. However, according to an investigation of typical cases, it will be necessary to lend a further 3 million yuan to the peasants from now to the end of July in order to meet urgent needs for production materials such as draft oxen, farm tools, chemical fertilizer, agricultural chemicals and so on; otherwise, production will be affected.

In order to solve this problem, the county bank has convened an urgent meeting attended by responsible comrades of credit cooperatives. It has taught the cadres to clearly understand the guiding ideology in supporting agriculture, improve their business work style, strictly control nonproductive loans and recover some loans that were made incorrectly.

BEIJING'S DUAN JUNYI DISCUSSES MILITIA WORK

HK060921 Beijing City Service in Mandarin 2300 GMT 24 Apr 82

[Text] In his speech at the forum on militia work held in Beijing Municipality on 23 April, Duan Junyi, first secretary of the Beijing Municipal CCP Committee and first political commissar of the Beijing Garrison, pointed out: Carrying forward our party's glorious tradition of grasping the armed forces, we must make further efforts to build up the militia of our capital and bring into play the backbone role of the militia in building material and spiritual civilization.

The forum on militia work was held 22-23 April under the joint sponsorship of the Beijing Municipal CCP Committee and People's Government and the Beijing Garrison. It was attended by more than 100 persons, including CCP committee secretaries of all districts and counties who are concurrently first political commissars of people's armed forces departments. There were also commanders and political commissars of people's armed forces departments, as well as responsible persons of the departments, committees and offices concerned of the Beijing Municipal CCP Committee and government. The forum summed up and exchanged experiences on how to strengthen party leadership over militia work and how to do a good job under new circumstances. It also discussed and studied new conditions and problems that have arisen in present militia work, and defined the future tasks and orientation of the work.

Speaking at the forum, Comrade Duan Junyi said: During both the war years and the time of peaceful construction, the militia has always been an important force to be reckoned with. Strengthening the militia is our party's long-term strategic task. We need the militia both in building and safeguarding the four modernizations. The tendency to look down on militia work is wrong. In his speech, Comrade Duan Junyi stressed the necessity of giving a proper place to militia work in the work of CCP committees, putting it on the agenda and promptly studying the new situation and solving new problems arising in the militia work. He said that we must strengthen political and ideological work among the militia, and militia work must be put on a sound basis organizationally, politically and militarily. At present, we must, in particular, educate the militia to combat the corrosive bourgeois influence and make steady advances in building up the militia of our capital.

Tang Ming, adviser of the Beijing PLA units; Chen Xitong, executive secretary of the Beijing Municipal CCP Committee; Pan Yan, commander of the Beijing Garrison; Second Political Commissar Wu Lie and Deputy Political Commissar (Huang Yijun) also spoke at the forum. Wang Xian, secretary of the municipal CCP committee, and Li Zhongxuan, political commissar of the garrison, also attended the forum.

HEBEI COUNTY OVERCOMES CULTURAL REVOLUTION LEGACY

HK060731 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 26 Apr 82

[Text] According to this station's reporter (Li Wenhui), the Xiong County CCP Committee has conscientiously implemented the spirit of the party's third and sixth plenary sessions, criticized leftist mistakes, trusted and relied on vast numbers of cadres and the masses, implemented policies in a truth-seeking way, redressed miscarriages of justice, trumped-up cases and misjudged cases, solved problems left over by leftist influence, eliminated factionalism and promoted unity. As a result, the situation, which had been chaotic for many years, is taking a favorable turn. The entire county is now in an excellent situation characterized by stability, unity and enthusiasm for promoting work.

During the Great Cultural Revolution, Xiong County was troubled by serious factionalism and things were tossed about many times in the county later on. Although several attempts were made to solve many problems, including problems left over by history, no major successes were achieved. As a result, various types of work suffered heavy losses. Since the party's sixth plenary session, with the energetic support of the party committee at a higher level, the Xiong County CCP Committee has conscientiously organized cadres throughout the county to study the spirit of the third plenary session and the resolution adopted at the sixth plenary session.

It has also organized them to criticize leftist mistakes in close connection with reality, thus gradually achieving unity in thinking among leaders at all levels and the vast numbers of cadres and the masses under the guidance of the spirit of the third and sixth plenary sessions. The vast numbers of cadres and the masses have achieved the understanding that drawing demarcation lines between people, being correct from beginning to end and factional remnants are products of the Great Cultural Revolution and are also leftist things. They have also achieved the understanding that the Great Cultural Revolution was a civil strife and a catastrophe. The so-called correct line did not exist at all, and there was simply no such thing as being correct from beginning to end. In that period, people simply could not argue on just grounds.

On the basis of heightening their political consciousness, the vast numbers of cadres and the masses have reached a unanimous view on several major issues which had been debated endlessly over a long period of time.

To promote the development of the situation, the Xiong County CCP Committee has adhered to the cadre line in appointing people on their merits, and has conscientiously reshuffled leading groups at all levels. The county has reshuffled 24 departments and bureaus at county and commune levels and 17 leading groups at commune level. The jobs of 143 cadres have been readjusted. Of these 143 cadres, 87 have been transferred to posts of similar grades, 37 have been promoted to higher ranks and 19 have been removed from office or demoted.

Xiong County has firmly grasped the work of redressing miscarriages of justice, trumped-up cases and misjudged cases and adopted effective measures for promoting the work, thus bringing every positive factor into full play. Leftist mistakes have exerted a relatively great influence on Xiong County over a relatively long period of time. Moreover, things were tossed about many times in the county. As a result, there were relatively more miscarriages of justice, trumped-up cases and misjudged cases in the county. To implement policies as quickly as possible, party committees at all levels have consistently adhered to the mass line and gone all out to mobilize the masses, thus quickly finding out about the real situation. In the process of implementing policies, party committees at all levels met difficulties head-on, actively solved problems on their own initiative, did not shift responsibility onto others and did not dodge difficulties, thus quickening the pace of implementing policies. At present, the county does not have a single case that higher authorities demand be completed.

Through the redressing of the miscarriages of justice, trumped-up cases and misjudged cases and the implementation of policies, the county has really strengthened unity and mobilized the people's enthusiasm. The county CCP committee has concentrated its energy on consolidating and reorganizing leading groups of brigades and production teams throughout the county since the beginning of this year. Of the county's 702 paralyzed and semiparalyzed production teams, 692 have been dealt with successfully, thus further perfecting the county's agricultural production responsibility system and mobilizing the enthusiasm of cadres and commune members for promoting production. At present, all communes and brigades in the county are actively fighting a drought and irrigating their wheatfields. They are working hard in order to reap a good harvest this summer.

HEBEI PLA MEETING ON SPIRITUAL CIVILIZATION

HK060408 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 30 Apr 82

[Summary] A Hebei Military District meeting of representatives of progressives in building spiritual civilization was held 26 - 28 April to sum up experiences, commend the progressives and further promote the drive to build spiritual civilization.

Provincial CCP committee First Secretary and military district First Political Commissar Jin Ming; provincial CCP committee leaders Jiang Yizhen, Li Erzong, Guo Zhi, Yin Zhe and Wang Yu; Ma Hui, deputy commander of the Beijing PLA units and commander of Hebei Military District; and Dong Lifang and Fei Guozhu, political commissars of the military district, attended the meeting. Dong Lifang and Fei Guozhu presided.

Comrade Jin Ming spoke at the conclusion of the meeting. He called on the participants to redouble their efforts, sum up new experiences and score still greater achievements. He said: "In particular, it is currently necessary to undergo severe tests in the struggle to combat economic crimes and oppose corruption by capitalist ideology. It is necessary to take a firm and clear-cut stand and wage a resolute struggle against all kinds of illegal and criminal activities." The PLA commanders and fighters and militia-men should set a good example for the entire province in building spiritual civilization.

TIANJIN HOLDS STATISTICAL WORK MEETING

HK060753 Tianjin City Service in Mandarin 2330 GMT 27 Apr 82

[Summary] On 26 April, the Tianjin Municipal Planning Commission and Statistics Bureau jointly called a meeting on statistical work.

The meeting pointed out that statistical work is a very important means of understanding society and guiding the national economy and social development. It provides a major basis on which the party and government can formulate policies and work out plans. During the readjustment and reform of the national economy, statistical work is more important for the country in strengthening planned macroeconomic guidance, supervising economic activities and appraising economic results. The meeting then called on governments at prefectural and county levels to further strengthen their leadership over statistical work and place it on their work agenda.

The meeting also pointed out that the statistical work this year must meet the needs of the readjustment and reform of the national economy. The most important points in the work are: First, it is necessary, by adopting different statistical methods, to make statistical figures more accurate and precise. Second, a statistical system must be established for appraising economic results. Third, with arrangements being made by the municipal people's government, statistical work must be aimed at the work of the third population census. Fourth, we must gradually set up, and put on a sound basis, a statistical and cost accounting system with a comprehensive balance. We must also strengthen investigation and study as well as statistical analysis of economy, people's life and social development.

The meeting held that in order to reform and perfect statistical work as quickly as possible and to fulfill the task of 1982 statistical work in the best way possible, we must restructure the statistical organs and reinforce the rank of statisticians.

BRIEFS

TIANJIN WATER SUPPLIES -- The 63d routine meeting of the Tianjin Municipal People's Government, held on 11 April, revealed that by 5 April, the actual volume of drinking water available in this municipality was 100 million cubic meters. There are 127 days remaining before 10 August. An average of 780,000 cubic meters of drinking water can be supplied per day. Using water sparingly and protecting the quality of water are a pressing matter at the moment for all people throughout the municipality. By 20 January, the project of drawing water from the Huang He to Tianjin had been successfully completed and the volume of water stored in this municipality was 479 million cubic meters. After the loss of water caused by vaporization, leakage and other factors, the volume of drinking water available was 150 million cubic meters. By 5 April, 82 million cubic meters of water had been used, and the actual volume of drinking water available was 100 million cubic meters. Since this municipality drew water from the Huang He, the quality of water supplied to the urban areas has been excellent. In the future, we must use all methods to protect the quality of water and to prevent water from being polluted. [Tianjin City Service in Mandarin 2330 GMT 11 Apr 82 HK]

JILIN'S QIANG XIAOCHU AT UNITED FRONT CONFERENCE

SK060728 Changchun Jilin Provincial Service in Mandarin 1100 GMT 5 May 82

[Excerpts] The provincial conference on united front work sponsored by the provincial CCP committee concluded today after an 8-day session. Attending the conference were leaders of the provincial CCP committee, including Comrades Qiang Xiaochu, Zhang Gensheng, (Zhao Xiu) and Li Diping. Comrades Qiang Xiaochu and Li Diping addressed the conference.

The conference was presided over by Comrade Li Diping. Comrade Song Renyuan delivered a report entitled "Enhance People's Understanding, Keep Abreast of the Current Situation and Do a Good Job in Improving the United Front Work."

The conference stressed that the united front is still one of our party's three magic weapons in the new historical period. To fulfill the great historical tasks in the new period, we must continue to develop the patriotic united front. We must do a good job in publicizing education on theories and policies of the united front, allow all democratic parties and mass organizations concerned to carry out their work independently and with the initiative in their own hands, implement all policies concerning the united front work and make proper arrangements for nonparty personages. Party committees at all levels must genuinely strengthen leadership over the united front work, and secretaries in charge of this work must assume personal responsibility in the work. Efforts must be made to do a good job in implementing the policy on intellectuals and adopt vigorous measures to properly solve problems arising therefrom. We must publicize the principles and policies concerning the propaganda work directed toward Taiwan, maintain unity and cooperation between party members and nonparty personages and cadres, establish relations of devotion among them, mobilize all forces that can be united and make new contributions to building the socialist material and spiritual civilizations and realizing the return of Taiwan to the motherland at an early date.

JILIN ABOLISHES 43 'TEMPORARY' ORGANIZATIONS

SK070814 Changchun Jilin Provincial Service in Mandarin 2200 GMT 6 May 82

[Text] According to JILIN RIBAO, the provincial CCP committee and people's government decided to abolish 43 newly instituted or temporary organizations at the provincial level, and issued a circular to that effect on 23 April.

The circular states: There are 80 newly instituted or temporary organizations founded by the provincial CCP committee and people's government. These organizations have played a proper role in intensifying specific leadership over some work and in coordinating certain departments to accomplish particular tasks. However, quite a few problems exist. They are mainly the overlapping and overstaffing of administrative organizations, which hamper the full exertion of their functions. Therefore, simplifying newly instituted or temporary organizations is imperative under the circumstances. The work and tasks of the 43 abolished organizations should be transferred to relevant permanent administrative organizations. In the future, when major issues and tasks which require coordinated efforts of relevant departments arise, the competent department should call the relevant departments together to solve them through discussion. When opinions differ, the competent department should submit them to the provincial CCP committee or the provincial people's government for examination. Principal leading comrades in charge of the work of the secretary general or deputy secretary general of the provincial CCP committee and people's government should then convene the relevant departments to find a solution.

Temporary organizations assigned temporary tasks should be abolished once the tasks are accomplished. In the future, no temporary organization should be founded to undertake major tasks or temporary assignments which can be assumed by permanent organizations. If a temporary organization is absolutely necessary, a submission must be made to the provincial CCP committee or the people's government for approval, depending on whether the proposed temporary organization is a party or government unit. It is forbidden to set up an administrative body without authorized staff on one's own.

NINGXIA HOLDS PLANNED PARENTHOOD MEETING

HK060643 Yinchuan NINGXIA RIBAO in Chinese 29 Apr 82 p 1

[Report: "Regional Planned Parenthood Work Conference Held in Yinchuan"]

[Excerpts] A regional planned parenthood work conference was held in Yinchuan 21-23 April with the aim of better controlling population and further promoting planned parenthood work in the region. Over 80 responsible comrades and planned parenthood cadres from all prefectures, municipalities and counties in Ningxia attended the meeting. They studied central documents on planned parenthood and discussed and put forward revisions of the region's provisional planned parenthood regulations. Regional CCP committee First Secretary Li Xuezhi and regional government Chairman Ma Xin spoke at the meeting. Regional government Vice Chairman Li Shumin presided and gave a summation.

Ningxia has scored a certain degree of success in planned parenthood work in recent years. The natural population growth rate fell from 32.55 per 1,000 in 1972 to 19.56 per 1,000 in 1981. The rate fell by 12.22 per 1,000 in 9 years.

The conference held: Although the region has scored a certain degree of success in planned parenthood work, its natural population growth rate remains the highest in the country. A tendency for the population growth rate to rise from decline has also appeared since last year. The main reasons for this are as follows: The leaders of certain units fail to sufficiently understand the strategic importance of planned parenthood work, fail to tackle it properly, harbor fear of difficulties and fail to implement plans, rewards and penalties; the notions of "regarding men as superior to women" and "carrying on the family line" have not been eliminated, and this is a hindrance to the smooth progress of planned parenthood work; some people hold that Ningxia is spacious, with a sparse population, so having more children does not matter; since the rural areas instituted production responsibility systems, they have lacked effective measures for population control in the new situation, and the phenomenon of laissez-faire attitudes has appeared; and following the implementation of the marriage law, there has been a continual increase in the number of marriages because the marriageable age is now lower than the age advocated for late marriage.

In the face of these new situations and problems in planned parenthood work, the conference demanded that leaders at all levels attach great importance to the work, get rid of fear of difficulties and be resolved to get a thoroughly good grasp of the work. It is necessary to organize a planned parenthood force and make use of all propaganda media to create public opinion in a big way. The conference held: We must focus planned parenthood work on the rural areas. It is all the more essential to strengthen leadership and improve work in remote mountain areas and places where planned parenthood work is backward. It is necessary to strictly enforce the policies and regulations on planned parenthood.

SHAANXI DISCUSSES, STRESSES FLOOD CONTROL WORK

Flood Control Conference

HK061057 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 5 May 82

[Summary] A flood control work conference was recently held at provincial level. The conference demanded that the entire province mobilize to grasp preparatory work in all fields for this year's flood prevention. It also pointed out that the task of flood control for the province is very heavy and difficult this year. All must be on full alert and keep in mind the flood disaster of last year. Education of cadres and the masses of people in heightening their vigilance and overcoming the idea of leaving things to chance must be strengthened so that they can do well in all preventive work on a solid basis.

For this purpose, the conference put forth the following four demands: 1) It is necessary to make an immediate examination of all water retention projects and solve problems as soon as possible. 2) Measures must be intensified for flood and water-logging prevention. 3) All hydrographic stations and observatories should coordinate to exchange information. 4) CCP committees and people's governments at all levels should place the flood control work on their work agenda and earnestly strengthen their leadership.

Xie Huaide, secretary of the provincial CCP committee, and Vice Governor Bai Jinian attended and spoke at the conference.

Radio Commentary

HK061059 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 5 May 82

[Station commentary: "Mobilize Immediately and Do Well in Flood Control"]

[Summary] The flood season is now approaching, first in the southern parts of Shaanxi and then in the central Shaanxi plain and northern Shaanxi. All places must be galvanized into action to do a good job of flood prevention. Last year, southern Shaanxi and the central Shaanxi plain were hit by severe rainstorms and flood disasters, which caused our country great losses in economic construction and in lives and property of the people. By virtue of this lesson, attention has been drawn to this year's flood control work in most places in our province. However, as a whole, there is still a lack of vigilance and fear of difficulties in some places. This has affected the flood prevention work, and must be overcome immediately. According to recent weather forecasts, there will be heavy rainfall along the Chang Jiang, and a fairly big flood is expected during the coming high water season. This is why we must strengthen our preventive measures. This is especially true in our province, where certain water retention projects which were damaged by last year's floods are still being repaired. This makes our flood control work this year much more difficult than before.

All people must be prepared for major floods and severe calamities so as to do well in the flood control work. At the same time, leaders at all levels must attach great importance to this work and go to the forefront to study and solve problems.

SHAANXI RIBAO ON APPOINTING COMPETENT PEOPLE

HK210216 Xian SHAANXI RIBAO in Chinese 10 Apr 82 p 2

["Weekly Commentary" by Liu Songyang [2692 2646 2799]: "We Must Appoint Able and Competent People to Posts"]

[Text] In his report on structural reforms, Comrade Zhao Ziyang treated "appointing able and competent people to leading groups and building them up properly" as an important issue to settle. He demanded that we should make leading groups at all levels strong and combat-worthy by appointing to them people who are "revolutionary and young and possess general knowledge and professional knowledge." Viewed from results in practice, all localities and units whose leading groups have been formed in accordance with the criteria of appointing able and competent people to posts as put forth by the CCP Central Committee will soon take on a gratifying look and everyone will rouse himself for vigorous efforts to make the country prosperous. On the other hand, all localities and units whose leading groups have not been formed in this way or have not been properly formed in this way will have difficulty in making improvement.

In the past 2 years, CCP committees at all levels in our province have done much work in selecting and promoting fine young and middle-aged cadres, and have taken new steps. However, this is still a far cry from achieving the party's demand.

In some leading groups, the members have not yet roused themselves. They are relatively too advanced in age and their cultural level is ostensibly too low. There are few professional and technical cadres in these leading groups. No relative changes have occurred in them. There are many reasons for the slow progress in work in this respect, but the main one is the erroneous views and methods of cadres. Some comrades attach too much importance to qualifications and record of service. They seldom think of problems resulting from age and health. They reckon that young cadres lack basic training and the ability to command. Some comrades appoint people by favoritism and like vulgar and obsequious people who are only good at flattering them, and do not appoint those who have real ability and learning, dare to uphold truth, cast aside considerations of saving face and are selfless and fearless. Some comrades only have faith in themselves and have no faith in the masses. They only consider a handful of people they know and do not select from among a large number of people with whom the masses are familiar. Others consider their own interests in appointing cadres. As a result, able and competent people who are really qualified are prevented from being appointed, whereas some unqualified people are thus able to enter leading groups. This erroneous practice in appointing people by favoritism runs counter to the party's line of appointing people on their merits and is extremely harmful to the party's cause.

It is an important political task of party organizations and leading cadres at all levels to do a good job in reorganizing and building leading groups at respective levels. We must fulfill this glorious historical mission with flying colors. There are three very important points in fulfilling this mission. The first is to maintain the party spirit, eliminate factionalism, be selfless, adhere to the letter of the criteria for appointing cadres as put forth by the CCP Central Committee and strive to appoint able and competent people, who may even be our relatives or people bearing us a grudge. The second point is to truly adhere to the mass line. The cause undertaken by the party is the cause of the millions of people. Only by listening extensively to the views of the masses can we appoint able and competent people to work for the party's cause and for our country's prosperity without personal considerations or jealousy. The third is to pay attention to who will be removed and, in particular, who will be added to a new leading group. Three categories of people should never be allowed to be in leading groups -- those who followed Lin Biao and Jiang Qing to rebel and make their fortune; those who are seriously influenced by factionalism; and smashers and grabbers and those who resist the line, principles and policies formulated since the third plenary session. Once any of them are found to have sneaked in, we should resolutely clear them out in order to ensure the political and organizational purity of leading groups at all levels and to ensure smooth implementation of the party's line, principles and policies.

Reorganizing and building well leading groups at all levels involves the extremely important question of whether or not we will be able to uphold party leadership, and ensure the continuity of the party's Marxist line and smooth realization of socialist modernization. CCP committees and organizational departments at all levels must look upon this as a matter of great importance and seriously do a good job in this respect. We must never lower our guard and treat it lightly.

BRIEFS

SHAANXI NATIONAL DEFENSE INDUSTRY -- The Shaanxi provincial national defense industry system has strengthened quality control and actively readjusted production. Production of goods for military and civilian use in the first quarter of this year was greater than in the first quarter of last year. The system produced 18 types of products, including binoculars, which foreign firms welcome. Output in the first quarter of this year was 36 percent greater than in the corresponding period of last year. [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 15 Apr 82 HK]

SHAANXI FOREIGN TRADE -- Since the 3d Plenary Session of the 11th CCP Central Committee, Shaanxi Province has quickly developed its trade with Hong Kong. The province's total export value in 1981 reached 13.93 million dollars, some 8 times greater than in 1977. [Xian Shaanxi Provincial Service in Mandarin 0500 GMT 8 Apr 82 HK]

LIAO CHENGZHI ON SPECIAL ADMINISTRATIVE REGIONS

OWO51730 Beijing XINHUA in English 1641 GMT 5 May 82

[Text] Beijing, 5 May (XINHUA) -- "The cause of reunifying the motherland will be realized and can be realized. Efforts should be made to promote the realization," said Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress, here today in a meeting with Taiwan compatriots in Beijing for International Labor Day celebrations.

Vice-Chairman Liao said: "At present, both the domestic and international situations are fine, although some people are trying to obstruct the reunification, but the wheel of history is irresistible."

He said article 30 of the just-published draft of the revised Constitution of the People's Republic of China stipulates that the state may, where necessary, establish special administrative regions. [Beijing XINHUA Domestic Service in Chinese at 1251 GMT on 5 May, in a similar report on Liao Chengzhi's remarks, uses the vernacular "te bie xing zheng qu 3676 5887 2398 0575"] The rules and regulations in force in special administrative regions shall be stipulated by law according to specific conditions, he said.

After the return of Taiwan to the motherland, Liao Chengzhi said, everything will be done in line with the nine-point statement concerning the peaceful reunification of the motherland made by Ye Jianying, chairman of the National People's Congress Standing Committee, on September 30 last year. He said: "Some day, and most probably in the 1980's, Taiwan compatriots on the mainland will be able to return to their native places to join their friends and relatives."

Liao urged government departments at various levels to show more concern for Taiwan compatriots' work and life, and pay serious attention to the implementation of the policies toward them, he said.

Vice-Chairman Liao joined the compatriots in a get-together to mark International Labor Day.

More than 30 Taiwan compatriots from 28 provinces, municipalities and autonomous regions participated in the get-together at the invitation of the All-China Federation of Taiwan Compatriots. The compatriots included workers, peasants, former industrialists and merchants, doctors, actors, cadres, teachers and associate professors, scientific research and technical personnel and retirees. Most of them have lived on the mainland for more than 20 years. The get-together was organized by the Beijing Federation of Taiwan Compatriots.

Also present at the get-together were leaders of related departments, Wang Feng, Li Gui, Lin Liyun, Cai Xiao and Ye Zilong.

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